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# The National

## LIFE INSURANCE

NOT TO BE  
USED FOR  
ANY OTHER  
PURPOSE

# Writer

FRIDAY, SEPTEMBER 1, 1933

## CAVEAT VENDITOR!

**T**HE primary responsibility of the Life Insurance underwriter is to aggressively sell insurance to protect the home and provide for the future. His second responsibility is to sell the right kind of insurance to achieve this end.

Not all the lapsations and surrenders of the past few years were inevitable. The collapse of some life insurance programmes was undoubtedly due to insurance that was improperly "fitted" in the selling.

Upon every underwriter now rests the injunction "caveat venditor"—"let the seller take heed"—take heed how intelligently, how honorably, how aggressively, he discharges his duty of spreading and maintaining the protection which only life insurance can give.

Life Insurance is invulnerable when sold on a programme properly arranged, and the public will always remain vitally interested when it is so sold.



Head Office Building—Winnipeg, Canada

## THE GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE  
WINNIPEG, CANADA

### ASSETS OVER \$135,000,000

#### Diversification

Bonds and Debentures.....	34.1%
City Mortgages and Properties.....	23.3%
Policy Loans .....	22.7%
Farm Mortgages and Properties.....	18.5%
Stocks, Common and Preferred.....	4%
Cash and Miscellaneous.....	1.0%
	100.0%

# C

## HANGING CONDITIONS

### CREATE NEW PROBLEMS

### FOR INSURANCE COMPANIES

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● New conditions—economic changes taking place almost daily—mean inevitable changes in the insurance requirements of the average policyholder.

Thousands of policyholders are finding it impossible to carry the amount of insurance which they could formerly pay for—and thousands more are recognizing the need of additional protection. Yet insurance companies cannot know the facts in each case without personal contact with the policyholder.

Through personal contact alone can insurance companies help these policyholders—by learning of their exact financial condition, their attitude regarding present insurance, and determining whether or not a more equitable plan of protection can be arranged to meet present day demands.

The American Conservation Company, through its nation-wide field force, is in a position to

service policyholders—no matter where they may be, in the United States or Canada—in large or small companies. It makes no difference whether the service involves 1,000 or 100,000 policyholders. Moreover, we are in a position to contact promptly those thousands of policyholders who, investigations have revealed, are in localities entirely out of touch with company agents.

By means of a new plan created by this organization, it is possible for a company to employ the American Conservation Company to rewrite business upon which there are policy loans and to reinstate on a premium-paying basis insurance now running as paid up or extended insurance—all this without making it necessary to dispose of any reserve assets to pay commissions.

A letter will bring complete information on this plan and the service conducted by the American Conservation Company.

**AMERICAN CONSERVATION COMPANY**  
**LIFE INSURANCE SERVICE • HERBERT G. SHIMP, PRESIDENT**  
**307 NORTH MICHIGAN AVENUE, CHICAGO**

# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 35

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, SEPTEMBER 1, 1933

\$3.00 Per Year, 15 Cents a Copy

### Lawyers Organize Insurance Section

A. T. Vanderbilt Elected Chairman at First Meeting Held in Grand Rapids

#### OBJECT IS UNIFORMITY

American Bar Association Division Starts With Overflow Attendance of Leading Attorneys

Efforts of the American Bar Association to attack many vital national problems with intensive specialized sectional meetings, one of which was devoted to insurance, developed sufficient interest in the latter field to result in forming an insurance section at the annual convention of the A. B. A. in Grand Rapids this week.

This new enterprise was fostered under the leadership of President C. E. Martins. The officials have labored the past year in effecting a program to mass the full power of the A. B. A. behind a movement for more uniform and equitable state procedure.

#### Slate of Officers Elected

The slate proposed by the nominating committee was unanimously elected. The officers for the ensuing year are: Chairman, A. T. Vanderbilt, former board chairman Public Fire, Newark; vice-chairman, P. M. Henry, general counsel Equitable Life of Des Moines; secretary, F. C. Haymond, Fairmont, W. Va.

The insurance section council elected is: Douglas Arant, Birmingham; A. D. Christian, general counsel Atlantic Life, Richmond, Va.; W. E. Stanley, Wichita, Kan.; O. R. Beckwith, counsel Aetna Life, Hartford; Horace Schell, Philadelphia; Lamar Hill, vice-president and general counsel America Fore group, New York; Austin J. Lilly, general counsel Maryland Casualty, Baltimore; F. V. Keesling, vice-president and general counsel West Coast Life, San Francisco.

The idea of a separate insurance section was advanced at an informal conference in Washington last October and shortly after the plan was authorized and a temporary organization formed, as follows: A. T. Vanderbilt, Newark, chairman; P. M. Henry, Des Moines, vice-chairman, and F. C. Haymond, Fairmont, W. Va., secretary. These officers took preliminary organization steps. Solicitation disclosed 1,456 lawyers associated with insurance representing every state in the Union favorable to the idea.

#### More Than 500 Attend

Soon after the meeting of Aug. 28 was called to order it became apparent the attendance was so large it would be necessary to move to a small auditorium. More than 500 attorneys were on hand.

(CONTINUED ON PAGE 9)

### Missouri State Goes Under

Superintendent O'Malley Named Receiver of Big St. Louis Company—W. W. Head and D. M. Milton Have Inside Track With a Reorganization Scheme

Ending a turbulent history, Superintendent R. E. O'Malley of Missouri Monday was appointed receiver by the circuit court at St. Louis for the big Missouri State Life. James Aylward of Kansas City and P. C. Haney of the Missouri department's legal staff were named attorneys for the receiver. Allen May, counsel for the Missouri State, admitted the allegations in the receivership petition filed by Superintendent O'Malley. A copy of the official report on the convention examination of the Missouri State was filed as part of the record. Alex Good, representing O'Malley, took charge at the home office soon after the decree was entered.

The filing of the receivership petition was decided upon by Superintendent O'Malley following a two-day final hearing on convention examination of the company, in which nine states participated. The hearing was attended by officials representing 14 states. The examination, according to Mr. O'Malley, disclosed a serious impairment.

Two separate reports are said to have been filed at the hearing, the examiners being unable to agree as to the method of depreciating the company's assets estimated at \$155,000,000. Those favoring a more conservative basis of depreciation reported the charge off at \$12,000,000, while a more drastic reduction raised the loss in values upwards of \$25,000,000. Mr. O'Malley favored providing for the maximum depreciation. Unofficial estimates are that reserves are impaired 30 percent.

Filing of the suit was the first step to bring about a reorganization of the company, which as of Dec. 31, 1932 had \$981,201,802 insurance in force; assets \$155,248,182, legal reserves \$125,618,780, capital \$5,000,000, net surplus \$2,095,342, reserve for real estate and investment losses, \$1,107,013, contingency reserve \$850,000. It had \$7,063,069 in borrowed money including \$6,000,000 obtained from the Reconstruction Finance Corporation.

#### Objects of Petition

O'Malley asked for a permanent injunction restraining the company from further business, for a temporary restraining order pending a hearing, for appointment of an agent to take temporary charge of its affairs and for a decree dissolving the corporation.

Whatever the exact loss is will have to be considered in any reorganization plans and will be taken care of through a lien upon the reserve.

It is known that O'Malley has received a tentative plan for the organization of a new company to reinsure the company's business. This proposal was submitted to the state officials attending the hearing but no official decision was reached. It was decided to permit O'Malley to handle the situation as he saw fit. Some of the commissioners favored some plan for mutualization. Mutualization has been considered in

the past but the Missouri laws make such a course difficult.

Walter W. Head, who was president of the defunct Foreman State National Bank of Chicago, and other representatives of the Equity Corporation and associated companies headed by David M. Milton, Rockefeller's son-in-law, have been in St. Louis for some time working on plans for acquiring the insurance company. These interests say they have up a \$2,000,000 commitment to be placed in the new company on the terms submitted, their interests being safeguarded with liens against the policies.

#### Connections of Head

Mr. Head is the main factor in the American Union Life, formerly the St. Joseph Life, of St. Joseph, Mo. He is said to be slated for chairman of the board of the new corporation and that W. T. Nardin, present president of the Missouri State Life, would be offered that position with the new company. Another report was that Head may be president of the company.

O'Malley attributed the troubles of the Missouri State to depressed values due to general business conditions and to mismanagement by past administrations. He expressed the opinion that the present administration has done the best it could.

The Milton people in the past year or so purchased control of three small fire insurance companies.

#### Talk of 35% Lien

The Equity Corporation's proposal is said to contemplate a lien on policy reserves of about 35 percent and a moratorium for two or three years on all loans and surrenders. The stockholders of the Missouri State would be given the privilege of entering the new corporation on the same basis as the Equity Corporation.

Mr. Head issued a statement that the life insurance business as a whole offers attractive opportunities for the permanent investment of capital and that the business of the Missouri State is inherently sound.

"After an exhaustive study covering four months," he said, "we have come to the conclusion that a constructive and comprehensive reorganization of the company can be worked out with the support of adequate capital so that the policyholders can be protected and death claims paid in full.

"The interests which I represent have brought forward a proposal which embodies the formation of a new life insurance company with a Missouri charter under the name of the General American Life with a paid in capital and surplus of \$2,000,000 in cash."

The General American Life was conceived some time ago, the idea originally being to switch the Missouri State business without a receivership. Apparently

(CONTINUED ON PAGE 14)

### Moratorium Lift Being Discussed

Some Officials Fearful of Removal of Restrictions at Present Time

#### NEW YORK SOON TO ACT

Argument Is Made That People Will Rush In Again for Loans and Surrenders

There has been considerable comment on the report that the New York department will soon officially declare all life insurance moratorium restrictions off. It was known that the department desired to act as of Aug. 5. Now it is stated the time has been set for Sept. 9. As a matter of fact most companies are making loans just as usual regardless of restrictions. Where companies feel that money is being withdrawn uselessly, especially if they are of the opinion that a policy is being twisted, they may use the moratorium restrictions as an excuse for not paying. It can be said that all really needy cases are being taken care of. Where a company is convinced that the policyholder desires his money for legitimate purposes and has a good reason his application is favored.

#### Demand Is Lessened

Undoubtedly the demand for loans and surrenders has been materially reduced. This is due to the fact that the public at large knows that moratorium restrictions are on and many that probably would apply for loans and surrenders are not doing so because they feel they cannot get their money. Companies have found that in a number of cases people will allow their equity to remain if they cannot get their money at once. There are many motives back of the demand for loans and surrenders. If all these had been legitimate and if policyholders had not been frightened or prejudiced, the issue would not be so important.

#### Effect of the Removal

Many officials are fearful that when it is announced that restrictions are off people will again rush to their companies for money. These officials say that executives that have no fear of any further onslaught are liable to be mistaken. It is said that in some quarters companies feel that regardless of conditions as they are at present they can expect a continuation of the present situation with regard to loans and surrenders with the moratorium on inasmuch as offices are being very liberal. Those executives that criticize this view say that undoubtedly the public is restrained at present because of the knowledge that the moratorium is in existence. If it is lifted then they predict as great an

(CONTINUED ON PAGE 9)

## Mortensen Gives Some Sage Advice

Wisconsin Commissioner Makes Comment on Work of Fraternals

### MORATORIUM DISCUSSED

Official Declares the Measure Had a Stabilizing Influence on Life Insurance

Commissioner H. J. Mortensen of Wisconsin gave an address before the annual meeting of the National Fraternal Congress at Milwaukee this week. He said that fundamentally life insurance needs no artificial stimulus. It has become so interwoven into the web and woof of the modern system of living that it is now accepted with unquestioned sanction as an essential factor of a well-regulated household. Commissioner Mortensen said that the first manifestation of life insurance developed through the fraternals. They had their inception in the guilds. These flourished at the time of the Roman Empire. There was no life insurance feature in these ancient societies, but they existed for social intercourse, conviviality and good friendship and served as a convenient agency to promote fraternal insurance.

#### First Insurance Contract

The first definite contract of insurance is recorded in 1583 when an Englishman, Richard Martin, secured a policy payable to himself in case one William Giggins should die within the ensuing year. The first independent life association was the Society of Insurance for Widows & Orphans, founded in London in 1699. The oldest American life company was known as the "Corporation for the Relief of Poor & Distressed Widows & Children of Presbyterian Ministers," a Philadelphia company organized in 1759.

Mr. Mortensen called attention to the great growth and development of life insurance which led to legislative investigation by New York and Wisconsin in 1906. The fraternals were not involved in this probe.

#### Rates Were Inadequate

He cited the plight in which the fraternals found themselves 25 years ago when it was apparent that most of them had inadequate rates. Many members were hostile to rerating of the societies. The older members had been carried along at the expense of the younger. The fraternals, however, have passed through this phase and those that are to survive are now on an adequate basis. Mr. Mortensen said that to keep pace and do justice to the purchasers of fraternal insurance will require constant application of progressive thought and action. He said that the adoption of adequate rates and the maintenance of reserve on a sound actuarial basis may well be augmented by the elimination of the lapse factor in the computation of rates.

He said that one concern has recently announced the adoption of a new certificate which proposes to issue at inadequate rate without loading and with non-forfeiture values. He condemned this practice. Commissioner Mortensen said that the post mortem assessment plan as employed by some societies is unfair to the younger members, as they are called upon to pay the same rate as the older ones. He said fairness to all demands that rates be based accord-

## Canadian Superintendents Complete Meeting Program

CHARLES HEATH PRESIDENT

Some of the Questions That Will Come Up for Discussion at Toronto Muster

Charles Heath, insurance superintendent of Manitoba, president of the Association of Superintendents of Insurance of the Provinces of Canada, will preside at the annual conference at Toronto Sept. 5-7. R. L. Foster of Ontario is secretary. At the opening session all addresses and reports of committees will be given. Subsequent sessions will be devoted to consideration of committee reports. No entertainment has been provided but the annual dinner will be held. G. W. Brown, insurance commissioner of Minnesota and president of the National Convention of Insurance Commissioners, will speak on "Coordination in Insurance Supervision." J. G. Parker, actuary of the Imperial Life of Toronto, will give a talk on "A Present Day Life Insurance Problem."

#### To Have Committee Reports

The committee will take up life insurance legislation including statutory conditions in life contracts, proposed amendments to the uniform life insurance act. In fire insurance legislation the superintendents will consider some amendments to the fire act. Automobile legislation will be discussed. There will be a discussion of credit and free insurance evil, including the automatic cancellation of fire insurance policies and quarterly return of agents' balances. The committee on valuation of securities, annual statement blanks and uniform definitions other than life will report.

ing to the probability of death. Many of these post mortem societies have been organized starting in 1931 and operating far and wide. They are attracting attention because of economic conditions. Many people have been compelled to discontinue their insurance in reputable companies. Therefore they take a chance on this newer breed.

Mr. Mortensen said the moratorium served as a salutary stabilizer of life insurance. Up to the time of the bank holiday the life companies and fraternals had honored all contracts. The people began to be affected by fear and called on their companies for loans and cash surrenders. Emergency legislation, he said, was necessary. Policyholders must be safeguarded. The life companies in this country hold about \$21,000,000,000 in assets. This is three times the amount of actual cash in circulation. They have been paying to policyholders \$6,000,000 daily for nearly two years. It would have been unwise to completely discontinue this flow of money, as it would have had a demoralizing influence. Therefore, the commissioners in their moratorium rules placed certain restrictions that protected the companies against wholesale withdrawal of funds. He said that most of the regulations are broad enough to permit of accommodations to the full extent of the policy provisions, excepting only hoarding, speculation and unnecessary business ventures. He said that the cardinal feature which differentiates fraternals from other life insurance bodies is in the social relation. Outside of this, he declared, the margin of difference is scant. It, however, is sufficient to commend them to the people favorably.

#### O. P. Forbes General Agent

O. P. Forbes has been appointed general agent for the Ohio State Life at Vincennes, Ind. For the last 19 years he has represented successively the Metropolitan Life, Public Savings, American Savings and National Life.

## Will Address National Convention in Chicago



LARA P. GOOD

Lara P. Good, who is on the program for the annual meeting of the National Association of Life Underwriters in Chicago, is manager of the ordinary agency of the Prudential in San Diego. He is a native of Indiana and received his schooling, including three years at the Indiana University, in that state. He served as principal and superintendent of high schools in Indiana. In 1916 he entered military life, being appointed second lieutenant in the regular army. In the war he was promoted to captain and served until 1922, when he retired. He then went to California, was admitted to the practice of law in 1926 and specialized in insurance law. He spent two years in the general insurance field and in 1923 located in San Diego as insurance counselor and broker. In 1926 he was appointed assistant manager for the Prudential and in 1930 was promoted to manager of the Prudential's new ordinary agency which he organized and developed.

He was one of the first 21 to be awarded the C. L. U. designation. He is a past president of San Diego Life Underwriters Association, formerly a member of the executive committee of the National association, member of the educational committee National association for several years, instructor of insurance at San Diego State College.

## Tragedy Stalked Over Legal Men's Convention

John H. Schultz, well known attorney in Cleveland, who was a member of the legal firm of Garfield, Cross, McGregor, Daust & Baldwin, of that city, attended the meeting of the International Association of Insurance Counsel in Chicago last week with his wife and young son, 7 years old. They were on a speed boat running from the World Fair to the Michigan avenue bridge in Chicago. This boat collided with a cabin cruiser. In the tragic accident Mr. Schultz, his wife and son were thrown out of the speed boat and not being able to swim all were drowned. It was two days before Mr. Schultz' body and that of his son were recovered. He was wearing the badge of the convention at the counsel meeting and in that way he was identified. He was 41, was a graduate of Ohio Wesleyan and took his law course at Western Reserve. He had been practicing since 1918. The head of his firm is James R. Garfield, son of former President Garfield, who served as Secretary of the Interior under President Theodore Roosevelt. Mrs. Schultz' body was recovered the night of the accident and was identified just before

## Suicide Issue Is Up in Bay State

Assured Carried Out Threat to End Life Unless Insurer Met Demands

### AETNA LIFE IS CARRIER

Commissioner Brown Orders Company to Pay Death Benefits—Possibility Exists Case May Be Tested

BOSTON, Aug. 31.—A decision in favor of Mrs. Nancy Tucker of Brookline, Mass., on her protest against the action of the Aetna Life in "unfairly and unreasonably" delaying the payment of \$75,000 proceeds of insurance policies on the life of her husband, has been rendered by Commissioner Brown, who recommends that the claim be paid forthwith.

P. M. Tucker, the insured, according to the report on the evidence, requested the company to lend him money exceeding the loan value of the policies, threatening to commit suicide if the company did not do so, and later actually ending his life. The company's contention is that Tucker committed suicide with the intention of accelerating the payment upon the policies. Mrs. Tucker denied this.

#### Statement by Brown

Commissioner Brown said in part: "Laying aside the issue of legal liability under the suicide clause in these policies, the clause indubitably does imply in fact and apparently most persons understand that it does imply that the company thereby assumes liability in all cases of suicide, sane or insane, occurring after the first year.

"As a matter of fair dealing, if for no other reason, this company should not now, after the policies were in force 9 and 12 years, attempt to circumvent the obligation that it in fact intended to assume under the suicide clause and that it did as a practical matter assume.

"It is my finding that the respondent is unfairly and unreasonably delaying the payment of the legally valid claims of this complaint and it is my recommendation that it pay the said claim forthwith."

This is an issue with which life companies have frequently been faced. Frequently assureds threaten to turn themselves into a claim unless the insurer makes them a loan in excess of the cash value.

Whether the Aetna Life proposes to fight the Tucker case further is not known. However, some life insurance executives have been waiting for just such a case to take to the United States Supreme Court if necessary, waiving aside all questions of contractual liability and insisting that to make payment under these circumstances is against public policy.

### Metropolitan Manager Dies

W. G. Bagley, for several years manager of the Providence, R. I., district of the Metropolitan Life, died at his home following an illness of more than a year.

the other bodies were caught with grappling hooks and brought to shore Sunday.

His firm represented the New York Life, Mutual Benefit Life, Jersey, Union Central, Mutual Benefit Health & Accident, Abraham Lincoln Life, and American Surety. Mr. Schultz took an active interest in the insurance practice of the firm.

## Old Faithful Club Holds Convention

Agents Discuss Field Problems and Business Building in Chicago

### GENERAL AGENTS GATHER

President Olson Starts Sessions of Mutual Trust Life Producers, Addressed by Many Leaders

Leading producers of the Mutual Trust Life, members of the company's Old Faithful Club, are holding their annual meeting in Chicago this week characterized by them as the "Century of Progress convention." Agency problems and business building ideas of all kinds are being discussed.

The meeting began with a luncheon Tuesday presided over by President E. A. Olson, who introduced the other home office officials. Vice-president A. B. Slattengren presided at the first business session at which speakers were C. S. Geary of Chicago, who spoke on "High Premium Insurance"; William Skolnick, New Haven, Conn., who discussed "Volume Through Number of Lives," and H. E. Beckman, Rockford, Ill., whose topic was "Selling Salary Continuance."

#### Wednesday Session Interesting

Agency Secretary B. N. Woodson, who had charge of arranging the convention details, presided at the second business session Wednesday morning at which the first speaker was C. W. Noble, agency director, who talked on "The Dotted Line." "Selling Programs" was discussed by W. J. Roll, Cincinnati. E. A. Isaacson of Chicago dealt with "Selling Through the Depression." I. L. Grimes, secretary and actuary, spoke on "The Distribution of the Life Insurance Dollar." O. D. Olson, vice-president and treasurer, commented upon the company's investments.

C. W. Noble, agency director, was in charge of the afternoon session. The first speaker was B. N. Woodson, who told of the company's numerous sales aids. C. I. Ramstad, agency assistant, spoke on "The Value of Joint Work." Agency Assistant A. E. Richardson discussed "Selling Life Insurance in Boston."

#### Others on Program

B. H. Dunlevy of Brattleboro, Vt., explained sales ideas used by the company in that state. F. Z. Beard, manager of the policy loan department at the home office, discussed various phases of home office cooperation, and the session was closed by C. E. Menor, chief underwriter, with his talk on "Judging a Risk."

The annual banquet of the Old Faithful club was held Wednesday evening with President Olson wielding the gavel as toastmaster. He introduced the club's officers whose election is based on production. This year's officers are C. S. Geary, president, Chicago; William Skolnick, vice-president, New Haven, Conn., and H. E. Beckman, treasurer, Rockford, Ill.

#### General Agents Meeting

The initial session Thursday was for general agents only and was presided over by Vice-President Slattengren, who was the first speaker with his talk on "The Job of the General Agent." Gilbert Knudtson, of Los Angeles, had as

## Investments in Home Loan Corporation Bonds Allowed

The New York legislature in special session has passed the bill authorizing domestic life companies to invest in bonds and securities of the federal land banks, federal intermediate credit banks, federal home loan banks or the Home Owners Loan Corporation.

Attorney General Kerner of Illinois has advised Ernest Palmer, insurance director, that companies doing business in Illinois may legally invest in the bonds of the Home Owners Loan Corporation. His ruling permits the Illinois companies to accept the bonds in payment for real estate mortgages on homes.

### O'Brien Agency's Record

The J. B. O'Brien agency of the Berkshire Life, Albany, N. Y., established an all-time record in July. It broke for the second time this year all agency and company paid-for production records for one month's business. There were 278 paid cases, 93 agents contributing and exceeding the record month of February by \$50,000 in paid volume. This was without the stimulus of a drive, contest or special preparatory effort. June production also was good and the agency stands ahead for the seven months.

### Palmer on Executive Committee

Ernest Palmer, Illinois insurance director, has been elected to membership on the executive committee of the National Convention of Insurance Commissioners. Commissioner Brown of Massachusetts, who was a member of the committee, was elected chairman and hence this left a vacancy on the committee.

## Diversification Is Urged In Investment Portfolio

S. A. Oscar, secretary of the National Mutual Benefit of Madison, Wis., in his talk before the National Fraternal Congress in Milwaukee this week on "Investments of Fraternal Benefit Societies," stated that insurance departments have in the past regarded investments of fraternal inferior to those of the regular old line companies. This view, he said, dates back to the time when the excess funds of a fraternal were limited and the investments were incidental. The fraternal now for the most part having gone on a legal reserve basis have naturally much more money to invest. He said that a survey of the securities of some societies indicate that the officials have not given some aspects of the subject the consideration that it deserves.

Mr. Oscar gathered statistics from the old line companies and fraternal. He gave a summary showing the diversification of assets held by the old line companies and the fraternal as follows:

	Commercial Companies	Fraternal Societies
Real estate .....	4.0	5.0
Mortgage loans .....	36.3	18.0
Bonds .....	24.0	65.8
Policy loans .....	18.4	5.0
Cash .....	1.0	2.1
Miscellaneous .....	6.3	4.1

#### Diversification of Bond Accounts

Then he gave a table showing the diversification of bond accounts of the two classes as follows:

	Percent of Total Bond Account	Commercial Companies	Fraternal Societies
Kind of Bonds			
Government .....	13.5		3.0
State, county and municipal .....	11.2		79.4
Railroads .....	44.4		6.0
Public utilities .....	25.6		8.8
Industrial and miscellaneous .....	5.3		2.8

## "The Signs Conspire"

Last year the end of the vacation season brought little joy to the life insurance heart. The underwriter was too deep in the depression's bog.

This year how different! Company plus signs are showing again, Agency plus signs are becoming numerous, and the individual Agent is bringing in the apps. All signs conspire to give faith that the Fall and Winter will move steadily toward that financial normality which a distraught nation has so long been hungry for. And this year's life insurance production may nearly equal, or even exceed, that of 1932.

Every underwriter should condition himself, mentally,—and by adapting his sales appeals to the public's changed attitude toward life insurance,—to increase his own consumer capacity by increasing his earnings.

### THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

The bond account of the old line companies was 34 percent of their assets and the fraternal 65.8. He said a study of these charts shows a wide difference as to investment policy in the two groups. He asserted that the spread of the risk is manifestly most important in any investment program.

Mr. Oscar was very emphatic in calling attention to the necessity of intelligent diversification of assets. Any company running to one form of security may get into trouble due to business conditions. There should be a back log of government bonds for liquidity. The investment of the remainder of the company's assets, Mr. Oscar said, in just one type of security, no matter what it is, would not according to best investment authorities be a sound program.

#### Mortgage Loans Compared

He spoke of mortgage loans with old line companies, that item being 36.3 percent of the total assets. Of this 8.8 percent is mortgages on farms. The mortgage holdings of fraternal are 18 percent with no figures available as to the percentage of farm mortgages. The fraternal, he said, have invested in this form about half in ratio to that of the old line companies. Relatively few fraternal, he declared, have large investments in real estate mortgages. The yield is particularly troublesome, he added, when depression comes. He said that mortgage loans cannot be safely made if they exceed 45 percent of the fair market value of the property. The character of almost every type of business in which companies invest is subject to change. No one stays as it is. Agriculture, he said, is basic in industry. He said that in the investment field the farm mortgage ranks high. Mr. Oscar feels that the fraternal might well convert a portion of their assets into home and farm mortgages.

#### Ratio Is Questioned

He questioned whether the ratio of 18 percent of mortgage loans and 65 percent of bonds is as well balanced an investment account as that shown by the old line companies. Policy loans of old line companies constitute about 18 percent of their assets and the fraternal 5 percent. This is due to the fact that the old line companies have been offering loan and surrender options for a longer time while many fraternal do not even at this time grant this feature. The cash position of the fraternal, he said, also appears better because the older companies have been subject to larger withdrawals.

#### Investment Program Proposed

Mr. Oscar proposed an investment program for the fraternal with at least 30 percent in real estate mortgages with perhaps one-third in farms, and 50 percent in bonds, divided as follows: 15 percent in federal, 35 percent in state, county, municipal and Canadian bonds, 20 percent in railroads, 25 percent in public utilities, 5 percent in industrial and miscellaneous.

Mr. Oscar touched on the effect of inflation on investments. He thinks that inflation will be controlled. Its object he said is to increase prices of commodities. By the time money becomes cheap folks will begin converting it into property. This starts rise in prices and people begin buying. If, he said, as is happening, inflation increases the price of farm commodities so that the farmer can liquidate his mortgage, certainly the life companies are not going to be harmed. He said that inflation as planned and as now contemplated should help the life business and investments. He did not seem to fear any ill effect of inflation.

(CONTINUED ON PAGE 9)

## Insurance Needs Bankruptcy Law

Van Schaick Believes Uniformity,  
Perhaps Through U. S. Act,  
Should Be Sought

### BIG WASTE IN FAILURES

Opposed Interests Represented by Pri-  
mary and Ancillary Receivers  
Make Process Inequitable

Either a uniform state law covering liquidation of insurance companies, a goal difficult to achieve; voluntary co-operation between states under auspices of the National Convention of Insurance Commissioners, a distinct possibility, or a federal statute which would wipe out the gross inequities and great difficulties resulting from many ancillary receiverships is needed, Superintendent Van Schaick of New York stated in his paper read before the section of insurance law of the American Bar Association held in Grand Rapids, Aug. 28, by H. C. Spencer, counsel New York insurance department. The subject was "Some Legal Aspects of Insurance Administration."

Mr. Van Schaick in his paper said probably the problem is peculiarly one to be handled under the provisions of a federal statute as no state has sufficiently broad jurisdiction. He considers this not an invitation for supervision by a federal agency but rather merely recognition of the wisdom of the constitutional provisions granting to Congress the power to establish uniform laws on bankruptcies throughout the country.

#### No Dangerous Possibilities

Mr. Van Schaick does not believe that a federal law on the subject would mark a beginning toward general federal regulation of insurance but it would seem merely to supplement and strengthen rather than encroach upon state supervision.

He said it appears few, if any, types of insolvency proceedings today are more in need of revision than those in insurance. An insurance company tends to carry on without reference to state lines, but immediately upon liquidation its affairs are isolated in units rigidly separated from each other by state boundaries. Insurance companies are exempted from operation of the federal bankruptcy law.

When a primary receiver is appointed for a carrier, he has little authority in any other state. If independent proceedings are not commenced in other jurisdictions where the company had operated, debtors enjoy unwarranted freedom from necessity of meeting obligations and creditors are at liberty to prefer themselves by attachment and otherwise on property located in their states.

#### Many Confusing Problems

The fact that the proceedings are legally independent of one another is a severe handicap. There is considerable confusion. Files, records, etc., are apt to be concentrated at points remote from the state to which they relate, collateral kept thousands of miles from the place where it was deposited. Mr. Van Schaick said the inability of those representing the estate even to give intelligible answers to inquiries early in the liquidation is "little short of appalling."

This is added to by varying laws of different states regarding filing claims, assistance of assureds being sued, return

## American Life Convention's Annual Program is Announced

Life insurance investments, premium rates, policy contracts, surrender charges and insurance supervision are to have the prominent places on the program for the annual meeting of the American Life Convention to be held at the Edgewater Beach Hotel in Chicago Oct. 11-13. The annual meeting of the main body of the convention, opening the morning of Oct. 11 and continuing through Friday, will follow the close of the two-day Legal Section meeting Oct. 9-10, and the one-day session of the Financial Section Oct. 10.

The tentative program for the main meeting is as follows:

#### Wednesday Morning, Oct. 11

Address by the president, Daniel Boone, president Midland Life, Kansas City.

Annual report by Byron K. Elliott, manager and general counsel American Life Convention.

Address by Ernest Palmer, Illinois director of insurance.

Fraternal greetings from delegations representing the Association of Life Insurance Presidents, National Association of Life Underwriters, United States Chamber of Commerce and other organizations.

Address by C. B. Merriam, Topeka, Kan., director Reconstruction Finance Corporation.

#### Wednesday Afternoon, Oct. 11

##### General Topic-Investments

"Diversification of Investments," R. W. Huntington, president Connecticut General Life.

"Bonds as an Investment for Life Insurance Companies," O. J. Arnold, president Northwestern National Life, Minneapolis.

"Homestead Mortgages," C. L. Ayres, president American Life, Detroit.  
"Farm Mortgages," G. S. Nollen, president Bankers Life of Iowa.

#### Thursday Morning, Oct. 12

"Rates and Surrender Charges," E. E. Cammack, vice-president and actuary Aetna Life.

"Evolution of the Policy Contract," J. B. Reynolds, president Kansas City Life.

"State vs. Federal Insurance Supervision," U. S. Brandt, president Ohio State Life.

The afternoon of Oct. 12 has been set aside to give those attending the meeting an opportunity to visit A Century of Progress exposition.

#### Friday Morning, Oct. 13

On Friday, following a morning's program on agency subjects, the annual executive session will be held, at which all committees will report and new officers will be named.

The local committee in charge of arrangements is also preparing an interesting program for the entertainment of those attending the annual meeting and the various sectional gatherings. As is customary a number of functions are being arranged for the ladies in attendance.

The annual meeting of the Legal Section will be held on Oct. 9-10; the Financial Section Oct. 10, and the Agency Section Oct. 13.

In preparing the program, the committee in charge of this year's meeting gave full consideration to the extraordinary changes in the national life that should result from the operation of the industrial recovery act and other new legislation that has gone into effect since the 1932 general meeting of the American Life Convention.

## R. B. Hull Hears Reports on Chicago Arrangements

Arrangements for the annual convention of the National Association of Life Underwriters Sept. 27-29 in Chicago are coming along rapidly, and there are over 1,100 reservations, committees of the Chicago association reported to R. B. Hull, managing director National association, at a meeting there Wednesday.

Adequate provision has been made for hotel accommodations. Members of the reception committee, wearing distinctive hat bands will meet visitors in railway stations and information booths have been arranged. Plans for the big ball are well under way. There will be upwards of 200 hostesses provided, and it is expected attendance will be 1,000 to 1,500.

A breakfast for woman agents will be held Wednesday of the convention week. The exhibits committee has approved some 18 exhibits. The information committee is busy collecting facts about entertainment which will be available in the week. There will be an information booth in Hotel Stevens, convention headquarters.

The 500 billboards advertising the convention were reported to be up this week in and around Chicago.

of collateral and other matters. The tragedy of failure is needlessly aggravated because of lack of uniform laws.

Wasteful conflicts between the primary and ancillary receivers are apt to arise, each receiver feeling bound to seize as much as possible of the company's property. Some states vest title to assets of a domestic company in the primary liquidator but other states ignore this title with regard to assets within their territory, resulting in a "catch-as-catch-can" relationship between states.

There are grave problems with regard to reinsurance recoverable to the defunct company. Oftentimes companies

## Nelson A. White Will Head Advertisers Association

In order that the organization meeting of the Life Advertisers Association at Chicago, Sept. 25-27, may move with as much speed and dispatch as possible, not only have various sub-committees already been appointed by K. H. Mathus, acting chairman, but a complete slate of nominations is announced.

The nominating committee is composed of S. A. Swisher, Jr., Equitable of Iowa, chairman; T. J. Hammer, Protective Life, and T. M. Rodlun, Acacia Mutual.

The committee has nominated N. A. White, Provident Mutual; for secretary, Bart Leiper of Greensboro, N. C. D. B. Slattery, Penn Mutual, is slated for treasurer. On the advisory committee, the interests of the south will be represented by S. M. Gamble, Volunteer State Life, while R. C. Budlong, Northwestern National Life at Minneapolis, will represent the interests of western members.

liable upon the reinsurance may be present and operating in every state in the country. Under the present uncertain state of the law most of the problems are solved largely by compromise.

Controversies are inevitable in determining claims. Procedure in this respect varies in different courts. In some cases claims are treated liberally and elsewhere awards may be held down.

Mr. Van Schaick said it does not seem to be over-idealistic to hold that general creditors everywhere should share equally in all general assets of the company available for division but a number of factors mitigate against such distribution. Statutory preferences against general assets of certain kinds of claims, notably wages, compensation and claims of the sovereign are far from uniform.

A federal law covering the subject should be kept distinct from the main

(CONTINUED ON LAST PAGE)

## U.S., Canadian Fraternal Meet

Cash Values and Other Problems  
Considered by Congress in  
Milwaukee

### SECTIONS' GATHERINGS

Mrs. La Rocca, President, Reports So-  
cieties Came Through Hard Times  
Successfully.

MILWAUKEE, Aug. 31.—Representatives of 82 fraternal benefit societies of the United States and Canada, members of the National Fraternal Congress, met in annual convention in Milwaukee this week. Sectional meetings of presidents, secretaries, medical, law and press sections were held Monday and the general sessions opened Tuesday.

At the meeting of the presidents' section, Judge J. C. Karel, Milwaukee, president Equitable Reserve Association, gave the welcome, response being by Philip Steele, supreme president Chicago Fraternal Life Association and vice-president of the section. Commissioner Mortensen of Wisconsin traced the development of insurance from its early beginning. Combined efforts of legal and fraternal reserve insurance organizations have developed more life insurance in the United States than in all the rest of the world, said H. N. Laffin, associate counsel Northwestern Mutual Life, in addressing the presidents' section.

#### Steel Heads Presidents' Section

Philip Steele of Chicago was elected president of the section, F. W. Heckenkamp, Quincy, Ill., vice-president, and Judge J. C. Karel, Milwaukee, re-elected secretary-treasurer.

Fraternal societies are entering a new field, said W. G. Voeks, Appleton, Wis., secretary of Lutheran Mutual Aid Society, in addressing the secretaries' section. The days of the old inadequate rates and assessments are past. Officers elected by the secretaries' section are Frank Hough, Fulton, Ill., president; A. M. Fording, Philadelphia, vice-president, and Miss Anna E. Phelan, Chicago, secretary-treasurer.

Mrs. Elizabeth Mehan, Milwaukee, editor Woman's Catholic Order of Foresters, welcomed members of the press section at which President P. H. Ditzon of the Fraternal Aid Union presided. Problems common to editors of fraternal publications were discussed.

#### Medical Directors' Meeting

Mrs. Clara B. Bender, editor Degree of Honor Association, Minneapolis, was elected president. J. L. Wilmette, Philadelphia, United Order of Mechanics, vice-president, and Mrs. Mary J. Baird, Port Huron, Mich., Woman's Benefit Association, secretary-treasurer.

B. C. Marks, Fargo, N. D., was slated for election as president of the congress, and Judge J. C. Karel, Milwaukee, president Equitable Reserve Association, as vice-president.

Recent experiments and discoveries have proved that the widely discussed contention that tobacco and alcohol cause hardening of the arteries is practically without basis of fact, said Dr. F. D. Murphy, professor of medicine at Marquette University.

The annual banquet of the congress was held Monday.

Mrs. Mary La Rocca, Omaha, president, opened the convention session Tuesday. An appeal to fraternal or-

(CONTINUED ON PAGE 8)

## Life Companies May Desire to Have a Special Code

### EACH IS NOW GOING ALONE

#### Fire and Casualty Organizations Have Formulated a Draft For Their Special Lines

Despite the fact that neither the American Life Convention, the Association of Life Insurance Presidents nor any other group of life companies has formulated a code under the NRA act, officials are wondering whether it will not be necessary for them to take such step. The National Board of Fire Underwriters and the Association of Casualty & Surety Executives have been in contact with Washington and have held meetings in New York to discuss the subject. They have practically completed their code after conference with the authorities. The life people were invited to attend the New York meeting but they did not take advantage of the opportunity. There have been meetings held by company officials at Hartford embracing insurance institutions of all kinds.

The life organizations have gone on the theory that each individual company could follow its own bent. Inasmuch, however, as the casualty and fire com-

panies have formed a code, some predict that General Johnson will probably ask the life companies to do so or he will get up one himself. Therefore the life organizations may be called upon to act at any time. It is known that officials are now discussing the subject with the idea in view that it may be necessary to formulate a code.

Several companies have already signed the general code sent out. Others have not done so, waiting for some action on the part of the organization. Some signed the code with reservations.

#### LIFE INSURANCE SENTIMENT

NEW YORK, Aug. 31.—Recent statements by General Johnson to the effect that some lines of work are such that it is not practicable or desirable to bring them under a definite NRA code are interpreted as indicating that the national recovery administration may regard life insurance employees in this category and not be insistent in demanding that the institution of life insurance adopt a permanent code just for the sake of having a code.

#### Active Steps Taken

As things stand now neither the government nor the companies are taking active steps toward the development of a life insurance code. That life com-

panies are in sympathy with the NRA's aims is indicated by the promptness they displayed in signing the President's blanket reemployment agreement. But it is generally felt that in signing this agreement and abiding by its provision life companies are doing everything toward promoting recovery that they could possibly accomplish by any conceivable code.

#### Insurance Not Really Affected

Life men point out that the provisions of the national recovery act were obviously drawn to correct conditions which exist in many industries but which are not problems of the institution of life insurance. There is increasing confidence that the national recovery administration will keep its eye on its real goal—the widest possible reemployment, coupled with fair wages and working hours. If life companies are doing their utmost to promote these ends without any hard and fast code, any attempt to bring them under further restrictions would only introduce complications which would benefit no one.

The *Fraternal Digest* will answer for you practically any question regarding the forms of insurance issued by the Fraternal Societies and Mutual Life Associations. Single copy, \$2. Order from The National Underwriter.

## Yancey Is Again President of Insurance Counsel Body

### ELECT NEW VICE-PRESIDENTS

#### Address on International Problems Is Well Received—Other Good Talks on Program

At the annual meeting of the International Association of Insurance Counsel in Chicago last week G. W. Yancey of Birmingham was reelected president. The vice-presidents are Allan E. Bro-Smith, Travelers; H. E. Knight, Sunbury, Pa.; E. K. Williams, Winnipeg; and A. G. Powell, Atlanta. John A. Milner of Rochester continues as secretary-treasurer. The new members of the executive committee are M. N. Crestman of Dallas and Walter R. Mayne, St. Louis. The holdover executive committeemen are J. B. Weeks, Philadelphia; W. O. Reeder, St. Louis; J. G. McKay, Miami, and J. F. Ward, Columbus. The attendance was the largest ever recorded, with about 200 on hand.

This was the first meeting that the organization had held away from the International Claim Association. Hereto-

## Do It for Dern



A. L. DERN

Elaborate plans for a sales campaign in honor of Vice-President A. L. Dern of the Lincoln National Life have been announced. The campaign, which will swing into active production on Oct. 2 and will last until Oct. 28, is headed by a 25-day period of prospecting Sept. 24-29. In the four weeks in September, planned prospecting by every field man is arranged to produce 40 qualified prospects for solicitation in October. The prospecting plan is not alone to list 40 names, but to stress particularly the quality of the prospects. At the end of each week every agent will check over with his general agent the list of names he has prepared. General agents are field marshals in the campaign, and run all active work from their offices. The entire contest period will be known as a "National Recovery Campaign."

In connection with the prospecting section of the campaign, a special blank is furnished every man, carrying spaces for the name and address of the prospect, his age, married or single, number of children and ages of children, his occupation, his insurance need and the suggested solution of his need. No person can pass as a qualified prospect unless he has an insurance need, is physically fit, and is financially able.

# CONTINENTAL ASSURANCE ENTERS CONNECTICUT

as part of its aggressive agency expansion program.

If you are interested in agency representation, send your inquiries with complete information to the Home Office.

**CONTINENTAL ASSURANCE COMPANY • CASUALTY COMPANY**

**910 SOUTH MICHIGAN AVENUE CHICAGO**

fore both conventions met at the same time and place. It is likely hereafter that the International association will have its own convention apart from the International Claim Association and meet at a different time and place. The time and place for the next convention will be decided by the executive committee.

International complications in life insurance law were discussed by E. K. Williams of Winnipeg, Can. There are a number of fundamental differences underlying the rules of private international law in the various jurisdictions which create many questions that must be handled sympathetically in order to avoid misunderstandings between beneficiaries and the insurance company.

Mr. Williams suggested that it might be possible in the near future for the International Association of Insurance Counsel, acting with the commissioners and superintendents of the provinces, and with the bar and insurance organizations to agree upon a uniform code acceptable in all jurisdictions of Canada and the United States so that statutory formulas can be provided for solving perplexing problems of life insurance beneficiaries.

The international problems in life insurance law are caused by the nomadic habits which still exist. Many people in Canada and the United States have rela-

tives in other countries. While there is a substantial similarity of United States and Canadian laws, said Mr. Williams, there are a number of fundamental differences in the realm of private international law. The difference in divorce laws, problems that arise regarding the relation of minors and guardians and the variable laws regarding the adoption of children complicate the question of beneficiaries. Rules also vary regarding the change of beneficiary.

#### Four Chicagoans President

L. Brackett Bishop of Chicago, former manager of the Massachusetts Mutual Life, who is now retired and who has been an observer of the National Association of Life Underwriters since it started and held its first convention in Boston, recounts the fact that four Chicago men have been president. They are C. H. Ferguson, Mutual Life; W. D. Wyman, Berkshire Life; S. T. Whately, Aetna Life, and Mr. Bishop. The fifth convention was held in Chicago June 28, 1924, when Mr. Ferguson was president. The delegates from Chicago to the first convention were J. H. Nolan, Travelers; J. K. Stearns, Connecticut Mutual; J. W. Janney, Provident Mutual, and C. H. Ferguson, Mutual Life.

### New Advertising Group Is Completing Chicago Program

#### STRONG LIST OF SPEAKERS

#### Round Table Discussion Is Planned to Cover Number of Pertinent Subjects

The advertising, sales promotion and conservation managers of life companies throughout the United States and Canada will meet in convention at Edgewater Beach Hotel, Chicago, Sept. 25-27. This will be the first convention of the new Life Advertisers Association.

S. M. Gamble, assistant agency manager Volunteer State Life of Chattanooga, as program chairman, announces the subjects thus far arranged. The general theme will be "Advertising Economically and Effectually."

Under the direction of J. A. Young, Monarch Life, Springfield, Mass., there will be an expansive display of printed salesmanship used in selling and in conserving life insurance. Suitable trophies will be awarded to the companies using the most meritorious material. The awards will be made following a merit system analysis by all delegates in attendance.

The program thus far arranged includes the following: "Advertising to Recruit Agents," B. N. Mills, Bankers of Iowa; "Our Sales Promotion Plan," W. McCallum Hogg, Massachusetts Mutual Life; "Sales Promotion Letters," L. J. Evans, Register Life; "Keeping It Sold," Karl Ljung, Jr., Jefferson Standard Life; "Our Policyholder Magazine," C. S. Davis, Provident Mutual Life; "Premium Notice Enclosures," D. B. Slattery, Penn Mutual Life.

#### Round Table Discussions

In round table form, there will be informal discussions of "What Is New." Emmett Russell, Jr., Life & Casualty of Tennessee, will handle the subject "Industrial Insurance Problems." T. M. Rodlum of Acacia Mutual has made a thorough analysis and will direct the round table on "Sales Promotion Letters." The subject of "Accident and Health" will be led by J. A. Young, Monarch Life. Miss Chlo Peterson, Business Men's Assurance, will handle the round table discussion on "Conservation."

It is hoped that the following, who have been invited, will find that they can accept their assignments: "Advertising in Trade Papers," John W. Murphy, Pan-American Life; "Our Problems Today," Frederick Faulkner, California-Western States Life; "Broadcasting Protection," C. S. Smith, National Life & Accident; "House Organs," Stuart Anderson, Penn Mutual Life.

A feature number on the program will be one-act skit depicting the internal workings in the home office, as touching on the vital relationship between the agency manager and the advertising manager. This will be directed by Bart Leiper, Pilot Life, who has prepared a number of life insurance skits and made an enviable name for himself as a life insurance advertiser. K. H. Mathus, Connecticut Mutual, is temporary chairman of the association.

### Provident Mutual Dividends for 1934 Are to Be Reduced

#### PRESIDENT LINTON EXPLAINS

#### Average Adjustment Made of Approximately 7½ Percent of the Net Cost

A tentative dividend schedule for 1934, forecast in the address of President M. A. Linton of the Provident Mutual at the agency convention in Chicago last week, is announced. A letter to general agents states that all dividend illustrations hereafter made to clients should be based on the tentative scale, schedules of net costs and dividends according to the 1933 scale being inapplicable for policies hereafter.

It is explained no one can predict whether or not interest and mortality rates will return to a basis to which insurance men and policyholders have become accustomed in recent years and hence the 1933 scale no longer can be used. A new rate book section containing the 1934 net cost illustrations for all ages and plans will be distributed later this year.

#### Company's Action Explained

Under the "protector" policy no schedule of dividends on the 1934 basis will be contained in the new rate book, it not being possible at this time to make any statement regarding dividends on this form except that the company expects the first dividend to be at least as great as the increase in premium at the end of the second year.

The announcement states the size of the dividend adjustment can best be gauged by relating it to net cost or face amount of insurance. On the average the adjustment is slightly less than 7½ percent of the net cost or \$1.80 per \$1,000 of insurance, varying considerably for different kinds, ages and durations. This is termed a moderate dividend adjustment.

President Linton in his Chicago address stated the Provident had been one of very few companies that maintained a prosperity dividend scale thus far. He considered it did the right thing in continuing the scale in 1933. Trends in important dividend factors had not become clearly defined at this time in 1932 and he felt continuation of the scale then was fully justified in view of the large contingency reserve.

The tentative 1934 net costs on \$10,000 of insurance for the three most popular forms are:

Ordinary Life				
Policy Year	25	35	45	55
Premium	\$173.60	\$228.90	\$326.10	\$507.50
1	147.30	199.70	299.60	478.90
5	142.90	195.80	293.30	464.30
10	137.60	191.20	281.50	445.80
15	133.00	184.70	267.60	429.30
20	128.70	174.50	252.70	418.60
20-Payment Life				
Premium	253.50	309.50	398.30	556.60
1	227.50	280.50	372.10	528.20
5	221.20	274.90	364.40	513.20
10	213.20	267.80	351.00	495.10
15	205.50	258.40	336.70	482.20
20	197.40	246.20	325.10	480.00
20-Year Endowment				
Premium	432.10	446.20	484.40	594.40
1	406.50	417.80	458.70	566.20
5	396.20	409.20	449.20	550.90
10	382.30	397.70	434.10	533.20
15	367.60	383.50	419.40	523.00
20	350.90	368.00	411.60	522.60

## COURAGE vs. COWARDICE

Prospects wonder if they will be able to pay premiums in the years to come. It is the job of a life underwriter to build up courage to the buying point.

Without courage and vision nothing can be accomplished. Courageous visualization leads to undreamed success. Courage creates contentment; cowardice, chaos.

Few of the fifty thousand owners of Midland Mutual Life policies knew they would be able to pay renewal premiums when they bought their policies. The truth of the saying, "Where there is a will there is a way," has been demonstrated by the persistency of these thrifty fifty thousand.

Courage kills cowardice!

**THE MIDLAND MUTUAL  
LIFE INSURANCE CO.**  
Columbus, Ohio



## Life Company June 30 Figures

(As Filed with the Georgia Insurance Department)

Company	Capital	Assets	Six Months' Income	Six Months' Disburse.
Acacia Mutual	\$49,923,482	\$1,502,172,687	\$6,079,002	\$4,676,871
Equitable, N. Y.	741,203	95,918,165	178,620,965	144,693,627
Federal Life & Cas.	450,000	2,277,942	340,787	356,143
Guardian, N. Y.	200,000	3,803,913,101	10,389,555	9,661,839
Liberty Natl., Ala.	215,955	583,638,594	654,087	577,589
Metropolitan		3,955,494	448,272,209	400,435,322
Mutual Benefit		521,323,713	51,627,025	58,863,962
North Carolina Mutual		5,778,922	881,750	796,246
Penn Mutual		52,914,562	51,631,424	47,003,169
Provident Life & A.	800,000	152,571,249	2,305,795	2,394,201
State Life, Ind.		614,964,444	4,357,914	5,388,140
State Mutual Life		685,747,182	14,272,951	13,420,127
Sun Life, Can.	2,000,000		77,732,415	72,201,473
Travelers	20,000,000		91,565,429	82,958,810

## Statement of Facts

- 1 A Mutual Legal Reserve Company owned by the Policyholders.
- 2 Started without promotion expense.
- 3 Under restricted Investment and Compulsory Deposit Laws of Indiana.
  - a Investments limited to non-speculative securities.
  - b Full Reserve deposited with State.
  - c Forbids loans to Officers or Directors.
- 4 Twenty-eight years old.
- 5 \$100,000,000 in Force.
- 6 Has had steady normal growth.
- 7 Never entered any race for mere size.
- 8 Never reinsured another Company.
- 9 Business written by own hand-picked Agency.
- 10 Never bid for substandard or brokerage business.
- 11 Organized to provide low cost insurance, and **MADE GOOD.**
- 12 From the start, liberal annual dividends to Policyholders.
- 13 Seven Extra Dividends.
- 14 Never issued special or board contracts.
- 15 Never issued extravagant contracts to agents, but always liberal and fair.
- 16 Never paid new Policyholders excessive dividends at expense of old Policyholders.
- 17 Officers' salaries always very modest.
- 18 Home Office expenses Prudent and Economical.
- 19 Adequate Home Office Building, appraised by real estate board at \$276,100.00. Carried on Company's books at \$175,000.00.
- 20 Does not issue Income Disability or health insurance.
- 21 Low mortality—Averaged 40% for twenty-seven years.
- 22 In 1932:
  - a Gained over \$1,000,000.00 in assets.
  - b Gained surplus.
  - c Continued low mortality.
  - d Lowered cost of insurance.
- 23 Strong liquid position.
- 24 Hasn't had to sell securities.
- 25 Has borrowed no money from any source.
- 26 Increased holdings of Government Bonds.
- 27 Constantly making ultra-conservative investments in bonds and mortgages. Has no railroad securities.
- 28 Has fullest Confidence and co-operation of Policyholders and Agents.
- 29 Has the Respect and good will of the public.
- 30 From its inception, methods and practices have at all times merited and received commendation.
- 31 It has lived up to its promises—met every obligation.
- 32 Safety First "How Well May We Serve," rather than "How Many."
- 33 The Company's pledge:
  - To keep the Company within safe lines,
  - To indulge in no doubtful experiments,
  - To observe the spirit of Mutualism, and in the future, as in the past,
  - To keep **QUALITY, SERVICE, and SAFETY FIRST.**

Frank P. Manly,  
President.

**Indianapolis Life  
Insurance Company**

## Favorable Trend Reported by Atlantic Life President

### CHEERS ACES' CONVENTION

July Increase of 57 Percent Adds to  
Enthusiasm of Meeting Held in  
Chicago

Indications are very favorable this year, sales being up and for July alone a 57 percent increase in production being recorded over the same month last year, President Angus O. Swink of the Atlantic Life reported at the Aces' convention of the company's agents held in Chicago this week. He spoke of the unusual stability of life insurance.

The cash position of the Atlantic is even more favorable than it was Dec. 31. Investments are well diversified, especially in regard to mortgage loans. The company has a large number of loans on small businesses and residential property, the average loan being not over \$5,000. The company is highly liquid he reported.

#### Comments on Stock Ownership

President Swink commented on the stock ownership of the Atlantic Life, there being no large dominating stockholders, but on the other hand a large number of smaller interests.

The convention started off Monday with welcome by an official of the Century of Progress exposition. W. C. Woodard of Rocky Mount, N. C., general agent and director of the Atlantic, is president of the Aces' club this year with the largest volume of premiums. T. L. Bond, C. L. U. and general agent, Birmingham, Ala., is vice-president with greatest number of lives insured.

J. W. Sinton, Jr., secretary-actuary, explained some changes in rates, values and contracts effective Sept. 1.

Besides President Swink and Secretary Sinton, attending from the home office were William H. Harrison, vice-president and superintendent of agencies; Dr. F. P. Righter, medical director; R. G. Richards, agency secretary, and W. R. Gardner, supervisor.

Twenty year service pins were presented to J. N. Buck, Washington, D. C., W. H. Tiller, Spartanburg, S. C., and T. B. Harrison, Charlotte, N. C., Secretary Sinton also receiving a pin.

#### President's Cup Awarded

It was announced that the Vogel agency of Newark won the President's cup again this year, gaining permanent possession. The convention next year will be held Aug. 26-28 inclusive at the Shoreham hotel in Washington, D. C., following which there will be a boat trip on the Potomac to the Cavalier hotel at Virginia Beach.

At the banquet charms were awarded to members of the Leaders' club, service pins to a number of field representatives, prizes to agents who kept daily personal inventory reports for the club year and checks to members of the Business Builders' club. Tuesday and Wednesday were devoted to entertainment and visiting the Century of Progress by chartered boat.

#### Medical Section Meeting

The board of managers of the Medical Section of the American Life Convention has selected the Homestead Hotel, Hot Springs, Va., as the place for the 1934 meeting of the section. The dates are June 14-16. Dr. John R. Neal, secretary-treasurer and medical director of the Abraham Lincoln Life, Springfield, Ill., is chairman of the section, while Dr. D. B. Cragin, associate medical director of the Aetna Life, is chairman of the program committee.

The arrangement of material in the **Little Gem Life Chart** is of convenient, non-competitive style, designed for the best methods of selling. Order at your company club rate from The National Underwriter.

## The Nylic Agent's Life Income

It is as true of the man in the field selling insurance as of the one who buys that the sunset years of life should be financially secure and free from money worries.

New York Life agents who measure up to the standards set by the Company and who stick to the "Nylic" program for 20 years are able to take longer vacations, to travel, and to retire on a certain life income. No matter what may happen to their other investments, these faithful agents are financially secure in their later years, for they can always rely on their "Nylic" income. Yet most of them, enjoying the work, continue to insure their clients after 20 to 50 years of service, thus adding substantial commissions to their independent incomes.

"Nylic," in short, provides much the same incentive for the Agent as has prompted the growing popular interest in annuities.



HOME OFFICE BUILDING

**NEW YORK LIFE  
INSURANCE  
COMPANY**

51 MADISON AVENUE  
NEW YORK, N. Y.



New York and Ohio

## OPPORTUNITIES

Outstanding and substantial opportunities are available to the right men. Buffalo Mutual Life is now growing faster than at any time during its 61 years... evidence that its Policies and methods for securing business are meeting present needs.

If you would like to grow with us, write in confidence with details of your experience to: E. Parker Waggoner, Supt. of Agents, Buffalo.

### 18 POLICIES... Birth to age 60... DEPENDABLE PROTECTION

Whole Life Special • 20 Payment Life Special • Multiple Option Life and Annuity • 10 and 20 Year Modified Ordinary Life • 10 and 20 Year Family Income • Endowment at Age 65 • Ordinary Life, Endowment at 85 • 20 Payment Life, Endowment at 85 • 10, 15 and 20 Year Endowment • Special Convertible Term • 10 Year Term • Children's Policies (Three Forms) Birth to Age 10

## TWO LITTLE WORDS "Mutual Trust"

are more than merely the name of a Company.  
—they signify the confidence of our agents and policyholders in the ability of this Company to meet every promise and obligation.

—and our belief that sound underwriting and conservative business methods will continue to bring to our agents and to our policyholders increasing progress and increasing rewards.

A Full Level Premium Company

**MUTUAL TRUST**  
LIFE INSURANCE COMPANY



"AS FAITHFUL AS OLD FAITHFUL"

## U. S. and Canadian Fraternalists Meet

(CONTINUED FROM PAGE 4)

ganizations to support wholeheartedly the national recovery program of President Roosevelt was made by Gov. Schmedeman of Wisconsin. S. H. Pipe, consulting actuary, Toronto, Can., brought greetings, saying Canada is looking with a great deal of sympathy at America's "brave experiment." B. C. Marks, Fargo, N. D., vice-president of the congress, made response.

"In our present economic situation with its attendant unemployment problems, fraternalism has risen to great heights as a service institution aiding thousands of distressed members, securing employment and promoting welfare activities," said Mrs. La Rocca, in her report. "Executives of insurance societies have learned the need of patience and, keenly alert to every situation, have exercised that patience in meeting the complex problems presented to them, aware of what their organizations mean to the people, and of the fact that out of the economic adjustment must come much valuable experience."

"As a people we realize the necessity of normal and happy homes, and we have come to look upon life insurance as a means of creating adequate reserves with which to meet the hazards of human life so as to preserve the home."

"The success of fraternal benefit societies in America is evidence of the fact that fraternal practices have answered the needs of a constantly growing people. The millions of children who are members of fraternal societies bespeak the interest of these societies in the youth movement. Fraternal societies might well adopt a plan, stressing particularly the progressive steps to be taken in the field of juvenile insurance."

### Takes Up Unemployment Cover

"Unemployment insurance holds an important place in the minds of our people today. Fraternal societies... should be among the first to adopt plans which are of service to humanity." She mentioned the life policy moratoria and bank failures, and said, "It is most worthy of note that the fraternal societies have come through these experiences in so commendable a manner."

Possibilities that a code for the life insurance business under the NRA may provide similar regulations for both legal reserve and fraternal reserve in the matter of loan and cash surrender provisions in contracts, were voiced Tuesday afternoon by De E. Bradshaw, president Woodmen of the World, talking on the subject, "Should provisions for loan and cash surrender values be inserted in fraternal certificates?" The primary purpose is protection, he said.

Life insurance must return to its first principles, that of paying death and disability claims. Mr. Bradshaw recommended a plan that values be applied to keep insurance in force and pay out in life insurance instead of cash. Because of statutory provisions, life companies are unable to change and establish insurance values instead of cash values in their policies. Therefore, he maintained, fraternal reserve organizations will have to continue because of the competition.

Holding to the belief that reserve values should not be sacrificed but insurance organizations should surrender in the same commodity as was purchased, President G. R. Allen of the Fraternal Aid Union, agreed with Mr. Bradshaw in the main. Life companies and fraternal societies should not be required to make cash loans over a certain percentage of cash values, he said. The everlasting cash drain for purposes other than paying premiums must be ended, he said.

W. T. Eldridge, actuary A. O. U. W. of Massachusetts, blamed old line companies themselves for any troubles they might have with respect to cash values and loans, since they have trained their

## Chief Principles in Salesmanship

A three act playlet with all parts taken by members of the Chicago staff, entitled "Gone to the Doctor's," brought a most enthusiastic response when presented before the agency convention of the Northwestern National Life in Chicago. In this playlet and in the discussion between the acts, the Northwestern



W. R. JENKINS

National attempted to clinch in the minds of those attending the most fundamental principles taught in its "Guide to Life Underwriting," the advanced sales training course announced early in 1933.

The guide is unique in that the material of which it was made was secured by a research organization unfamiliar with life insurance, Trade-Ways, Inc., of New York, which sent trained observers into the field with Northwestern National salesmen, to witness and report verbatim actual interviews and sales. It is based not on how salesmen say they sell life insurance but on how they actually do sell it. Its purpose is to provide a selling procedure which will help the salesman to attain a higher level of selling.

The Northwestern National agencies have been conducting weekly schools of instruction, pounding in "Guide" principles. The playlet "Gone to the Doctor's" was an endeavor to impress indelibly on the minds of those in attendance the difference between "policy peddling"—even though well done—on the one hand and the more effective plan of uncovering needs before making a policy recommendation, on the other.

Between the acts, W. R. Jenkins, manager of the Chicago office of Trade-Ways and the man under whose direction the guide was compiled, led a lively discussion. The salesmen showed a keen interest, both methods of selling finding their advocates.

### Pacific Mutual Rates Revised

The Pacific Mutual has revised non-participating premiums effective probably Sept. 15 or Oct. 1, the definite date to be announced shortly. The following new premiums are shown for selected ages without disability clause, as indicative of the revisions:

Age	Ord. Life	20- Pay	Life Expect.	Term Expect.	End. at 65
10	\$11.47	\$11.84	...	...	\$12.61
15	12.56	20.16	...	...	14.06
20	13.93	21.76	\$12.43	\$ 9.85	15.93
25	15.66	22.68	13.97	10.90	18.40
30	16.92	26.02	15.82	12.39	21.73
35	20.06	28.89	18.64	14.95	26.87
40	24.26	32.47	22.25	18.09	34.36
45	29.85	37.09	27.38	22.93	45.98
50	37.27	43.22	33.62	28.82	64.05
55	47.17	52.11	41.27	...	99.97
60	61.66	64.94	51.86	...	...
65	82.12	83.68	...	...	...

agency forces to sell cash and loan rather than protection for the family. Fraternalists, he said, were organized primarily to sell family protection.

## Lawyers Organize Insurance Section

(CONTINUED FROM PAGE 1)

The insurance law section meeting started with pertinent remarks by H. S. Knight, who sketched the preliminary steps and inception of the plan.

A. T. Vanderbilt, chairman of the standing committee on insurance law, presided. By-laws were unanimously adopted. The objects set forth were: "To further the development of the law of insurance in all its branches; to stimulate and extend the study of this field of the law; to cooperate in obtaining uniformity with respect to both legislation and administration in all matters concerning insurance, and to simplify and improve the administration of justice in this field of the law."

The report of Secretary F. C. Haymond was read. Charles Denby, Jr., of Philadelphia, expert in agricultural administration, spoke on "Unemployment Insurance." He stated he saw no definite way to offset depressions entirely. Various forms of unemployment insurance so far adopted would prove inadequate in times of stress, he said. Some definite workable form will eventuate in time, he feels certain, but much study must be applied to the question.

G. W. Denmead, vice-president and general attorney New Amsterdam Casualty, spoke on "Problems Arising from the Liability of Joint Tort Feasors." H. G. Spencer of the New York insurance department read a paper by Superintendent Van Schaick of New York on the problem of insurance company liquidations.

"Insurance Premiums as Trust Funds" was the topic of W. H. Bennett, secretary National Association of Insurance Agents. U. S. Senator Felix Hebert and Commissioner Gauss of Michigan gave short talks.

Chairman Vanderbilt closed the meeting with the statement that it was expected varied insurance branches, casualty, fire, life, marine, etc., would be handled intimately by sub-committees to be named, with close application to all problems affecting various states. He asked that everyone interested in any phase of insurance get in contact with him or the officers. The officers have pledged themselves to make the new section a factor for progress, and will report at the annual meeting of the A. B. A. next year.

## Old Faithful Club Holds Convention

(CONTINUED FROM PAGE 3)

his topic "Developing Man Power in California." Fred Schneiders, Cincinnati, spoke on "Building from Scratch in Cincinnati." "My Methods of Agency Building" was the subject of a talk by W. F. Larsen, Springfield, Mass., and E. M. Warren, Providence, R. I., discussed "Children's Insurance as an Agency Builder."

The concluding session was in charge of Agency Director Noble. L. R. Lunoe of Boston, manager of the eastern department, spoke on "Selling the Job." J. H. Ehn, Hartford, Conn., discussed "Building an Agency Against Home Office Competition." There was general discussion directed by Mr. Noble, and President Olson summarized the meeting in a final talk.

### E. W. Albachten to Detroit

E. W. Albachten, general agent for the Pacific Mutual Life at Louisville, takes charge of the Detroit office, succeeding L. C. Sheuer, who recently resigned to return to Cincinnati. Mr. Albachten took charge of the Louisville agency in July, 1931, it standing 51st on the list. Now it is in the 19th place. He was formerly manager of the home office agency of the Inter-Southern Life.

## Moratorium Lift Being Discussed

(CONTINUED FROM PAGE 1)

onslaught will be made as ever on companies, especially if there is any cause for uneasiness.

The collapse of the Missouri State Life, they say, will greatly accentuate this fear in the minds of policyholders. This is the largest nonparticipating company west of the Allegheny mountains. While its plight has been known to insiders for a long time, yet it was hoped that in some way or other something could be done to ease the situation so that it could continue. The repercussion of the Missouri State Life action, officials argue, will be serious.

### Liquid Position Strengthened

Undoubtedly companies have been able to strengthen their cash and liquid position because of the moratorium inasmuch as they have not had to pay out such large sums of money for loans and surrenders. Many officials had hoped that the moratorium might be allowed to die a natural death without any publicity attending its official removal. Companies that have been subject to more or less unfavorable report fear that regardless of their improved status the lifting of the moratorium will again subject them to rumor and that policyholders will start a run. These officials contend that the companies which are in a very favorable liquid position are paying out now just as they were before the moratorium and hence its lifting will have no appreciable financial effect unless people start securing loans and seeking surrenders as they did many weeks ago. Those that are opposing any action of this kind say that there is grave danger of starting another upheaval. The public mind at present is quiet and the shock of the moratorium has subsided. There is very little heard about it because when a person merely desires money and has need for it, companies pay. If the New York department raises the moratorium undoubtedly other states will feel that they have to follow or there will be invidious comparison made.

### Commonwealth Life Conference

The Commonwealth Life of Louisville held a general agents' conference in its home city this week. The meetings were in charge of I. Smith Homans, vice-president and actuary. The first day was devoted to an explanation of the sales material that has been devised to assist agents in writing business. Mr. Homans and J. H. Snyder of the ordinary department led the discussion. On the next day there was a discussion of underwriting methods and the desire to have agents better informed as to how to properly select business. J. R. Hoffman led in the discussion of underwriting methods. Conservation plans were discussed by C. Krayenbuhl. There were 40 general agents present.

### Gave Trip to World Fair

The American Life of Birmingham offered a trip to the World Fair to the agent who produced the most business during July. C. L. McDonald was the winner with 113 applications and \$140,000 insurance. J. L. Denson was second with 21 applications and \$120,000 insurance. The entire organization produced 479 applications, representing \$783,691.

### Dr. Bousfield Is Chairman

Dr. M. O. Bousfield, first vice-president and medical director of the Supreme Liberty Life of Chicago, who is president also of the National Medical Association, has been chosen chairman of the Illinois emergency advisory council which is to represent the rights of Negro workers under the national recovery act.

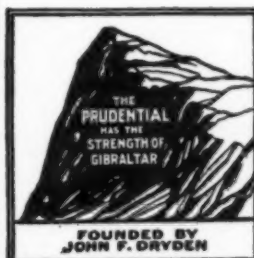
## Square the "New Deal"

A real opportunity to do a worth-while job lies ahead for the salesman of life insurance.

Family providers are returning to work in nearly every section of this country and Canada.

But this "new deal" will not be a "square deal" for dependent wives and children until uninsured husbands and fathers regain what life insurance protection they may have surrendered.

Convince them of this truth!



**The Prudential**  
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey

FLEXIBLE

**The LNL Family Income Rider**

*can be attached to a wide variety of company policies*

**The Lincoln National Life Insurance Company**

Fort Wayne, Indiana

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### Drive Money Changers from the Temples

It is ardently to be hoped that the state authorities and others who are deeply interested in the rehabilitation or reorganization of the MISSOURI STATE LIFE will be able to enlist in the enterprise people of unselfish motives, who are not looking for funds that they can exploit. The plight of the MISSOURI STATE LIFE is due entirely to the promoters and money grabbers who have used it for mercenary purposes. The company has had a singularly able professional personnel of officers. Outside of its financial people, the so-called insurance officials and staff can stack up with the best. It has a fine lot of agents. These men have been earnest and sincere in their efforts to develop the company along right lines. Unfortunately they have been handicapped ever since ROGERS CALDWELL laid his blighting hand on the company by those who sought to extract from it everything they could. Even prior to that there were those who attempted to feature its stock in the market and make it a stock jobbing enterprise. The price was run up to an abnormally high point.

Even those connected with the directorate who on the surface were supposed to be conservative, sincere and who avowed their fealty to it did not fight the devil with fire. They often succumbed to the allurements made by these exploiters. After the ROGERS CALDWELL crash the M. J. DORSEY crowd got a hand through the ownership of a third of the stock by the INTER-SOUTHERN LIFE which failed and

later was taken over by the new KENTUCKY HOME LIFE. When the DORSEY explosion took place a crew from New York built up a wrecking apparatus and pulled the MISSOURI STATE LIFE more deeply in the mire. The BARNES-COHEN-SHERMAN-SCHILLER outfit through the KENTUCKY HOME LIFE shook the tree for more persimmons. The rawest deal that was engineered in connection with the financial schemes perpetrated on the company was the sale of \$800,000 perfectly good bonds to pay for stock of the KENTUCKY HOME LIFE for the benefit of the New York wreckers. It has never been satisfactorily claimed why those in power permitted such a frightful transaction to be pulled off.

The MISSOURI STATE LIFE is worth saving. Its insurance management is to be heartily commended. The nefarious work has been done by exploiters who kept their hands on the company's portfolio and exchequer. It certainly now is up to the state authorities to save the company and to drive the money changers out of the temple. We need something of the FRANKLIN ROOSEVELT courage in public life. The MISSOURI STATE LIFE can be conserved. It can be rehabilitated satisfactorily if the commercial designers who have been eating at its crib and weakening it are driven entirely out. Let the professional insurance management of the MISSOURI STATE LIFE be the guiding hand and it will get somewhere.

### Substituting Scientific Plans

ONE of the healthful signs of the times in recent years is the acknowledgment on part of great business enterprises of various kinds that half baked, unscientific and crude retirement or pension plans should be discarded, being unfair to those who contribute to them and which ultimately fail of their purpose. Many employees have relied on these retirement funds to see them through or at least assist in days when the sun is low. Heartbreaking have been the disappointments in connection with many of these schemes because they were not actuarially correct. Life

companies have come in as the means for building up annuity retirement income plans on a basis that is scientific and safe. The life companies have done a magnificent piece of work in presenting plans that can be relied on when obligations come due.

It takes real courage to keep from getting discouraged, especially in periods when the going is hard. When one becomes disheartened his usefulness is practically ended. The man who is persistent and determined will usually succeed in the end.

## PERSONAL SIDE OF BUSINESS

Joe J. Kurth, Lincoln National Life representative in Madison, Wis., and former all-American football player from Notre Dame, was chosen on the all-star grid team from the east which played the "game of a century" the night of Aug. 24 at Soldiers' Field, Chicago.

In San Antonio it is now "Col." O. P. Schnabel instead of just O. P. Schnabel, manager of the San Antonio agency of the Jefferson Standard Life, as he has been named colonel in charge of publicity for NRA forces in San Antonio. Whenever civic drives are put on in San Antonio Mr. Schnabel is usually asked to handle the publicity end.

Walter L. Woo is the largest producer of Chinese business in Chicago. He was born in the Hawaiian Islands in 1882. He entered merchandising with his father and in 1911 came to this country. He joined the Sun Life of Canada June, 1927, in Chicago, and has never failed to make the Macaulay Club. He is naturalized. He owns an American style two apartment building in Canton, China. He is a member of the committee of Chinese American Citizens Alliance.

Rogers Caldwell, well remembered in the life insurance field by reason of the companies that were dragged down in the crash of his investment firm, has announced a deal covering purchase of 40,000,000 pounds of dark tobacco, representing the entire holdings of the Eastern and Western Dark Fired Tobacco Growers Associations of Tennessee and Kentucky, the purchase being made through the recently formed Dark Fired Tobacco Corporation, organized by Caldwell, E. A. Goodloe and Thomas Goodloe, with \$3,000,000 capital.

Felix Broeker, former Chicago insurance man who has been engaged in a number of insurance enterprises along promotional lines is now in Indianapolis endeavoring to organize a life company. At one time he was an official of the Atlas Mutual Casualty of Fort Wayne, Ind., and later general manager of the Republic Casualty of Chicago. Since then he has been in trans-Mississippi territory trying to promote enterprises.

President H. A. Behrens of the Continental Casualty and Continental Assurance of Chicago, who has spent the summer at his place on Belvidere Island, San Francisco Bay, is scheduled to arrive in Chicago so as to be at his desk next Tuesday morning.

"Chief Eagle Feather" is the Indian name bestowed on Alan D. Harmer,

agency secretary of the Minnesota Mutual Life. Mrs. Harmer was named "Princess Beautiful Woman." Mr. and Mrs. Harmer have just returned from their wedding trip to Glacier National Park, Montana, where the Blackfoot tribe of Indians adopted them as members. While in the park Mr. Harmer made arrangements for the 1934 annual convention of Minnesota Mutual agents to be held there.

W. C. Schuppel, vice-president and general manager of the Oregon Mutual Life of Portland, flew to Chicago last week, arriving Thursday evening, and flew back leaving Sunday evening. He stopped en route to visit some of his agencies. Mr. Schuppel was making a combined business and World Fair trip.

Once every year Garfield W. Brown steps out of his role as insurance commissioner of Minnesota and dons the uniform of a lieutenant colonel in the national guard. For the past few weeks he has been at Camp Dodge, Ia., where his division has been in annual encampment. On his return, Commissioner Brown will make a brief visit to Canada.

Clarence Klocksins, assistant legislative counsel for the Northwestern Mutual Life, underwent an emergency operation for appendicitis last week.

D. M. Baker, a leading producer of the Pacific Mutual Life home office agency at Los Angeles and also famous for his success in deep sea fishing off the California coast, recently added to his outstanding record as a fisherman by landing a 215-pound broadbill swordfish, the first of its kind caught this season. It took him an hour and 40 minutes to land the prize, using regulation tackle.

A cablegram from Vice-president W. H. Kingsley of the Penn Mutual, who is on a trip abroad, states that Mrs. Kingsley is in the American hospital in Paris, recovering slowly from a serious illness, as a result of which it will be necessary for them to remain there for the next few weeks.

R. L. Fisher, for several years assistant treasurer of the Connecticut Mutual Life, becomes assistant secretary of the New York Stock Exchange. He is a graduate of Taft School at Watertown, Conn., Thatcher School, Ojai, Cal., and Yale '20. After teaching school for a year in California he went to Hartford in 1921 to enter the investment division of the trust department of the Hartford-Connecticut Trust Company. He was elected assistant treasurer of the Connecticut Mutual in 1923.

## NEWS OF THE COMPANIES

### Pay High Tribute to Bullock

General Agents of State Mutual Present  
Record Volume of New Business  
for One Day

Thirty general agents of the State Mutual Life, bringing a present of over 600 applications totaling more than \$2,000,000 new insurance, surprised President Chandler Bullock on his birthday. The general agents, who were from all parts of the country, have conducted a special campaign for the occasion. This is the largest volume of new business presented in one day in the company's 89 years. As a result, new business for August is 62 percent greater than August, 1932. The celebration concluded with a dinner given by the General Agents Association. Mr. Bullock was presented by the State Mu-

tual's 55 general agents with a set of clubs chosen personally by Bobby Jones. The arrangements were in charge of General Agents H. M. Powell of Atlanta, Robjont of Boston and F. W. Pennell, New York City.

Mr. Bullock is this year celebrating the 33rd anniversary of his association with the company, having entered its employ in 1900, after graduation from the Harvard law school in 1897. He became general counsel in 1903, vice-president in 1923 and president in 1927.

A special business meeting of the visiting general agents was held, at which plans and methods for the development of the company's business were discussed.

### Schilling Team Is Winner

A team headed by Dr. C. E. Schilling, vice-president and medical director of the Ohio State Life, was victorious by

one "run" over a team captained by President U. S. Brandt in its world baseball series contest, which has just come to a close.

### Group of Policyholders in Suit to Halt Reinsurance

Plea to set aside the decree of sale of the Illinois Life to the Central Life of Des Moines is made in a petition filed in federal district court in Chicago by an attorney representing G. M. Carlson and 23 other policyholders of the Illinois Life. The petition asks that Receiver Abel Davis be ordered to turn over affairs to Ernest Palmer, director of insurance. It is reliably reported that J. P. Sullivan and his attorney, D. D. Stansbury are interested in this action. The petition alleges combined assets of the two companies are inadequate to protect policyholders' interests; that the Central Life owes the R. F. C. \$650,000, that the reinsurance plan violates Iowa laws prohibiting a corporation from purchasing another dealing in insurance. It is charged the cost of the receivership has been approximately \$70,000 a month. A hearing on the petition will be held Sept. 28.

### Probe Burbank National

LOS ANGELES, Aug. 31.—Inasmuch as the district attorney's office is conducting an investigation of the case, Superior Judge Jones has continued to Oct. 2 the \$125,000 suit brought by three widows against the Burbank Mutual Life & Benefit Association and its directors. The court had denied a mo-

tion for a non-suit made on behalf of Superior Judge C. S. Burnell and E. A. Bradley, who were directors of the association. The district attorney's office began its inquiry at the request of Judge Jones after certain beneficiaries testified they had failed to receive full payment on death claims.

### Changes in Official Personnel

The North American Life & Casualty of Minneapolis, operating in Minnesota, North Dakota, South Dakota and Wisconsin, has undergone a change in officials. C. G. Hoigaard, who has been a director and treasurer, becomes chairman of the board. H. P. Skoglund has been elected president to succeed T. O. Berge. Bert Odell is vice-president and agency director. He has been vice-president. J. A. Jorgenson, who has been vice-president, retains that title. F. J. Huch, who has been actuary, is elected also assistant treasurer. P. G. Erickson continues as secretary. Dr. O. H. Peterson is medical director and treasurer. All these officials are directors and the others are Dr. A. M. Aanes, N. P. Benson, S. O. Simonson and C. C. Thronson.

### Purchases Office Building

The Great American Life of San Antonio, Tex., has purchased the ten-story Western National building. The company is not tying up any of its capital or reserve in the building.

The Educators Mutual Life Association, Sioux Falls, S. D., has been incorporated by J. E. Gleason, Mary E. Gleason and Frank Vuest, to write life, accident and liability insurance.

## LIFE AGENCY CHANGES

### Now District Superintendent

#### Morris M. Conn of the Indianapolis Agency of the American Central Is Promoted

The American Central Life has appointed Morris M. Conn, formerly a member of its Indianapolis agency, a district superintendent in Indiana. Prior to entering the field, Mr. Conn's only contacts with selling life insurance were his talks with field representatives of the American Central who dropped into the home office. Gradually becoming imbued with the feeling that he could do as others were doing, and that greater opportunities lay in the production avenues of the business than elsewhere, he entered the field in the American Central's Indianapolis agency Aug. 13, 1931.

His record at the end of 16 months on Dec. 31, 1932, revealed that he led the entire field force in volume of paid-for new business for 1932, in addition to having attained a composite grade of .935 for the field club. The grading process takes into account both paid for new insurance and second premium renewal ratio, and 1,000 is perfect.

Mr. Conn's record proves two things: (1) That business can be written consistently and regularly—even in depression times (month after month last year he triumphed over his quota); (2) that, under today's unusual conditions, volume must come from the medium-sized and small policies.

#### J. W. Wilson, H. W. Spence, Jr.

Two important appointments are announced by the Franklin Life of Springfield, Ill.

J. W. Wilson has been named Ohio state manager with headquarters at Cleveland. Two years ago Mr. Wilson was appointed manager by the Bankers Reserve Life of Omaha and last April, when that company merged with the Ohio National, he continued as manager for northeastern Ohio.

Previously, for 16 years Mr. Wilson

was manager for the Prudential in the Cleveland territory.

H. W. Spence, Jr., has been appointed general agent for northern Indiana with headquarters at South Bend. He has been in the life insurance business 15 years, having been supervisor for the Mutual Life of New York and manager of 10 counties in northern Indiana for the Lincoln National Life.

#### Elmer Loucks

Elmer Loucks of Des Moines, general agent of the Lincoln National Life, will give his time hereafter to his personal clientele and will also develop the state on wholesale, group, salary deduction and annuities. He will give his personal attention to these lines. A successor as general agent will be announced soon.

#### Western & Southern Appointments

Albert Bruckmann, formerly in charge of a Western & Southern Life office in Chicago, has been appointed manager of one of the Pittsburgh branches.

New superintendents appointed by the Western & Southern are: W. T. Hoken, Lima; William Carder, Springfield; R. S. Totten, Bedford; E. S. Estelle, New Albany; J. D. Beard, Pittsburgh; E. B. Stewart, Akron; C. D. Hicks, O. J. Schwartz and D. A. Gettleson, Detroit.

#### H. I. Seegar

H. I. Seegar has succeeded E. F. Burge as general agent for the Continental Life of St. Louis at Toledo, O. He had been a member of the agency for some time. Mr. Burge on account of illness in his family plans to locate in the west.

#### Baker & Moore

The Pacific Mutual Life has appointed Baker & Moore as general agents in Los Angeles in charge of a new agency with offices in the Union Bank building. The agency firm is composed of D. M. Baker and R. D. Moore, who have been engaged in field work, both

**A** competent Life Insurance Representative can lay out a comprehensive program of insurance for his prospect in a comparatively short time, but it may be many years before the program can be completed.

The modern Representative creates a business relationship which is strengthened as each link in the program chain is forged.



## METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

ONE MADISON AVE., NEW YORK, N. Y.

jointly and individually, for ten years and have achieved highly successful production records, frequently leading the entire field.

#### Gantt Baggott, James Brader

Gantt Baggott, who has been with the W. O. Ferguson agency of the Penn Mutual Life at Los Angeles for four years, has been promoted from supervisor to manager of the brokerage department. James Brader succeeds Mr. Baggott as supervisor. He was formerly district manager for the Mutual Life of New York in Wisconsin, and for the past three years has been with

the New York Life in Los Angeles. He is a large personal producer and former football coach of U. C. L. A.

#### M. A. Ellison

M. A. Ellison has been named Birmingham, Ala., general agent of the Ohio National Life. He was formerly with the Bankers Reserve Life, which it has taken over.

#### W. T. Ratliff

W. T. Ratliff has resigned as Birmingham, Ala., general agent of the Volunteer State Life and has gone with the Mutual Benefit Life as special agent.

T. F. Burke, supervisor of agents for the Volunteer State, is expected to announce a new general agent for Birmingham about Sept. 10.

#### L. W. Fenstermaker

The C. W. Fenstermaker Company, San Antonio, Tex., has been appointed general agent for the Atlantic Life, succeeding Fenstermaker-Thornton. L. W. Fenstermaker has been appointed manager of the life department.

### Life Agency Notes

The National Life of Des Moines has appointed T. M. Kirkpatrick general agent for the company at Metropolis, Ill., succeeding J. R. Shipman.

E. H. Knoop has been named as district manager at Saginaw, Mich., for the Michigan Life, with offices in the Bearinger building.

A new district agency for the Northwestern Mutual Life is being organized at Atlantic, Ia., by Edward Hughes, Jr., of Des Moines.

### CONVENTIONS

#### Jefferson Standard Muster

Plans Are Completed for Its Agency Convention to Be Held in Chicago

The Jefferson Standard Life has made arrangements for its agency convention at the Stevens hotel in Chicago, Sept. 26-28. President Julian Price, Agency Manager A. R. Perkins and other officials from the home office will be present. President Price will give a talk at the first session and the leaders in paid production and conservation will be recognized. At the luncheon following the speaker will be T. M. Riehle, New York City, associate manager of the Riehle agency of the Equitable Life

of New York. Wednesday and Thursday the men will attend the convention of the National Association of Life Underwriters. A managers' meeting will be held Thursday of that week.

#### John Hancock Men to Meet

General agents of the John Hancock Mutual Life will hold a meeting at the Stevens hotel in Chicago Sept. 21, which is the week of the meeting of the National Association of Life Underwriters. The general agents will discuss the organization of an association. They do not now have a regular organized body. The John Hancock Mutual has been in the habit of calling in the general agents at the time of its annual meeting early in the year.

#### New York Life Club Meeting

The Top Club of the New York Life which includes all those writing \$400,000 or more during the club year, and the \$200,000 Club will meet in Chicago Sept. 5-8. A number of officials from the home office will be present.

#### Life of Virginia Convention

The Pegram Club of the Life of Virginia held its annual convention last week at Old Point Comfort. J. S. McWilliams acted as toastmaster at the banquet. Addresses were made by President Bradford H. Walker, I. T. Townsend, vice-president, and R. B. Pegram, assistant secretary, in whose honor the club was named.

#### New Era Life Conference

District managers and agents of the New Era Life gathered at the home office in Grand Rapids, Mich., for a two-day semi-annual sales conference. Speakers included President G. L. Taylor, Vice-president Dale Souter, Ben Dean, advertising counsel; W. P. Wise, district manager Retail Credit Company, and John A. Lake, director.

The New Era now has \$20,000,000 in force. Its mortality is 88 percent of the American Experience table.

## PACIFIC COAST AND MOUNTAIN

#### New Mountain Book Is Out

Comprehensive Insurance Directory and Reference Volume Issued for Three States

The 1933-34 edition of the Underwriters Handbook of Colorado, New Mexico and Wyoming is issued jointly by THE NATIONAL UNDERWRITER and the "Western Underwriter" of San Francisco. This book was originally published by the old "Insurance Report," which moved to San Francisco and became the "Western Underwriter." It is an exhaustive compendium of insurance information of the Rocky Mountain states. This is a reference work of great value to all in the business. It has an agency department giving the names of agents and the companies they represent in all cities and towns in the three states. It gives a list of casualty general agents, managers and field men. It gives statistical and financial information regarding all companies. It gives full information regarding fire companies and their field men. It has complete life insurance data. It has statistics regarding Colorado insurance shown in a comparative way. It gives the insurance laws in these three states.

#### Yates Agency Shows Gain

The John W. Yates general agency in Los Angeles of the Massachusetts Mutual Life reports a gain of 21 percent for 1933 to Aug. 1 in comparison with the same period of last year. It has the largest increase of any of the ten leading agencies of the company.

#### Plans for Lincoln National

General Agent Walter T. Shepard Announces the Course His Organization Will Follow

The southern California agency of the Lincoln National Life under General Agent W. T. Shepard opened new and larger quarters in the Associated Realty building, Los Angeles, with a two-day sales congress. Men from the entire territory attended the sessions, which were divided into two parts. Morning sessions met in groups which discussed time control, standardized approaches and standardized sales presentations. Afternoon sessions were devoted to individual conferences. O. D. Douglas, Texas state general agent for the Lincoln National, who is spending a month in Los Angeles, assisted in the sessions and meetings, as did Superintendent of Agencies F. W. Gale, who had a prominent part in the program.

#### Executive Personnel Announced

General Agent Shepard announced the executive personnel as it will be in its new home, and also outlined the operating program. J. F. Hackman will continue in charge of brokerage business as assistant general agent. J. M. Morgan, also as assistant general agent, will supervise all suburban business and agents. H. G. Everett, former general agent, will remain with the organization as associate general agent.

A complete program of operation and expansion for the agency was outlined as follows: Business from suburban and brokerage sources will be operated

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**SUCCESS** is born in the time of adversity—  
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A new generation of outstanding Life Insurance  
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and women who are sincerely interested in a  
career of worth-while service, and will work for  
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the story.

## THE STATE LIFE INSURANCE COMPANY

Indianapolis  
Indiana

THIRTY-NINTH YEAR

## TRIPLE INDEMNITY LIFE INSURANCE

with Weekly Accident Disability  
in One Contract for One Premium

#### General Agency Contracts

available at Bangor, Me.;  
Cincinnati, Ohio; Toledo,  
Ohio; Erie, Penna.; Harrisburg,  
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Inquire

## UNITED LIFE and ACCIDENT INSURANCE COMPANY

United Life Bldg., Concord, New Hampshire

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as formerly, with added man-power. In addition, Mr. Shepard is appointing a metropolitan assistant whose duties will be to build, educate and train a special agency force within the limits of Los Angeles proper.

## Dr. Huebner Speaker in Meetings at Los Angeles

Dr. S. S. Huebner, educational adviser Massachusetts Mutual, addressed the field force of the southern California agency of that company, together with members of the Life Underwriters Association of Los Angeles and representatives of other companies, invited through the courtesy of John W. Yates, general agent.

Dr. Huebner's subject was "The Potential Estate vs. the Acquired Estate." Mr. Yates presided. Dr. Huebner spoke again at a luncheon attended by Massa-

chusetts Mutual agents, general agents of other companies, bankers, lawyers and business men. An afternoon meeting was held, devoted to round table discussion.

Dr. Huebner expressed belief that speculative mania, mounting debts and people in a frenzy of fear are in the ingredients of the major panics. "We just have to liquidate those unfortunate debts," he said. A depression just has to burn itself out. There has to be a house-cleaning. I believe this liquidation has been substantially completed and that this depression has burned itself out. That being the case, all the king's horses and all the king's men can not keep this nation from rising again."

The following day, President R. F. Freeman of the Los Angeles C. L. U. chapter, agency manager Peoria Life, presided at a meeting at which Dr. Huebner gave a talk on the C. L. U. movement. Dr. Huebner was guest of honor at a luncheon of the Los Angeles chapter.

## AS SEEN FROM NEW YORK

By R. B. MITCHELL

### EFFECT OF INFLATION

Discussing the "Speculative Possibilities of Life Insurance Purchased During Inflation," in the "Trust Companies Magazine" for September, J. H. Philbin of Johnson & Higgins of New York City points out that premiums on life insurance purchased now will evidently be paid for in inflation dollars. That is, the country is undoubtedly approaching a period of inflation, when the purchasing value of money will be reduced. Accepting the theory that depressions move in cycles, he points out that the low-value or inflation dollars paid for premiums will create policy values in dollars that will have a high purchasing power during any subsequent depression. On the other hand, commodity purchases made during the approaching inflation season, can, in a future depression, only be converted back into dollars at a loss.

He gives standard figures to show that on July 1, 1929, the dollar had a purchasing power of only 67 cents. Such dollars, used to pay premiums, created a cash-up value in dollars which on Feb. 28, 1933, had a purchasing power of \$1.38, and on July 11, 1933, a purchasing power of 96.2 cents.

Recognizing the doubts created by the moratorium on life insurance invest-

ments, Mr. Philbin points out that the companies probably will suffer no eventual loss on defaulted mortgages or railroad bonds. He recalls that the companies are not obliged to sell at the bottom, and no matter how nominal values are affected, they can hold their investments until a favorable time for disposing of them.

### GRANT HILL IS ENTERTAINED

Grant L. Hill, who this week leaves his post as production manager of the C. L. McMillen New York City agency of the Northwestern Mutual Life to become the director of agencies at the home office, was the guest of honor at a farewell luncheon given for him by Mr. McMillen on Monday, which was attended by the entire agency organization. On behalf of the agency Congressman T. A. Peyser, a veteran Northwestern agent, presented a grandfather clock to Mr. Hill.

Herman Duval, widely known personal producer of the Northwestern, gave some of the high spots from his talk at the company's recent convention for the benefit of those members of the agency who were not at the Milwaukee gathering. Mr. Duval stressed the importance of cold canvass, terming it the best way of getting prospects.

## AS SEEN FROM CHICAGO

### COMPANIES IN THE INCUBATOR

There are a number of life companies organized in Illinois whose charters are still alive but have not completed the work. A legal reserve company must complete its organization and be licensed within two years or the charter is annulled unless it is renewed. The legal reserve charters that are still alive are the Commonwealth Term Insurance Company, 228 North La Salle street, Chicago, J. Charles Seitz; Home Union Life, 711 Myers building, Springfield, Ill., A. P. Garber; Mutual Protection Life, 231 South La Salle street, Chicago, D. S. Bobb; Mid-Union Life, First National Bank building, Chicago, W. W. Corlett; Prairie States Life, 104 North Main street, Bloomington, Ill., L. H. Martin; Standard Life, Alton, Ill., J. R. Paisley; Paul Brown building, St. Louis, Mo.; Temperance Life, 39 West Adams street, Chicago, John D. Knapp; Union National Life, 205 West Wacker Drive, Chicago, E. C. Steffens.

There are five assessment companies being organized, these being allowed one year for organization unless the charter is renewed. These companies are the Educators Life, 1132 Jefferson building, Peoria, Ill., Herget & Hoffman; Illinois

Valley Life, Geneseo, Ill., Wilbur Wynant; Investors Life, 160 North La Salle street, Chicago, D. F. Campbell; Pilgrim National Life, 162 East Ontario street, Chicago, J. W. Weldon; Royal Life, 11 South La Salle street, Chicago, E. R. Elliott.

### ORRINY MOVES OFFICE

Walter Orriny, Chicago general agent National Life of Des Moines, has moved his agency from 330 South Wells street to 176 West Adams street, in considerably larger and better arranged quarters.

### Dickinson Gets Out Handbook

S. G. Dickinson of Hartford, Conn., who recently resigned from the Life Insurance Sales Research Bureau to do independent work in the sales field, is issuing a handbook of life insurance selling as the medium for sending out the results of his study. He will concentrate for several months on the problem of selling under present conditions. Emphasis will be on the methods of one successful man who has suffered under the depression and who has since found a way to increase his sales materially.

## Compensation

WHY is the institution of life insurance successfully riding the waves of national financial distress? The answer is not good luck, vast profits, or tricky manipulations. . . . It is so obvious, axiomatic, and simple, that the average mind, through its tendency to search for obscure causes, overlooks it.

Life insurance survives because its corner-stone is scientific conservatism. Quick profits, speculation, guess-work, grasping at the merely expedient have no place in its methods. Life insurance knows that, at the bottom of the wine of prosperity, are the dregs of depression. . . . In times of plenty, it entrenches itself against attacks of panic. . . . It survives the worst because it cherishes the best.

Life insurance, neither pessimist nor optimist, is cold, calculating science, recognizing human frailty and nullifying its evils.

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Berkshire associates are daily making many "friends" in their respective communities, through the sale of

Berkshire Special.

Preferred Risk.

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Annuity—Form 930.

Thinking men and women are protecting "themselves" or "families" through the "certain and enduring values" of Berkshire Life contracts.

Proof—36% average gain in paid business for June and July over corresponding period for last year.

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## ASSOCIATIONS

### Life Insurance Still Strong

#### President Linton of Provident Mutual in Message to Milwaukee Agents Association

Life insurance is still standing up under the stress of conditions and its position has improved during recent months since market values of securities increased. M. A. Linton, president of the Provident Mutual, told members of the Milwaukee association at the monthly meeting. He spoke on "The Investment Aspect of Life Insurance Today."

Life underwriters in the past stressed the value of building a fund to be available in the sunset years of life. In the depression to date nothing has happened which would indicate the unwisdom of making that appeal in the future, Mr. Linton believes. No other avenue of saving or investment is more likely to deliver the desired protection when it is needed than is life insurance. Referring to the suggestion that protection and investment features in the life contract should be separated and individuals left to handle their own investment, Mr. Linton said security in the combined life protection and investment contract is the great argument for it.

The income return upon the investment element of life insurance at the present time makes a very good showing for an investment as secure and dependable as that offered by life insurance. On the subject of inflation, Mr. Linton said that no form of investment can be purchased with assurance that it will have maximum purchasing power at any particular future moment but that people may anticipate a price level fluctuating within the limits set by past experience.

Life underwriters today should eliminate rash promises to prospects, according to Mr. Linton. Agents have been promising too much in regard to loans and cash surrender values and have not stressed sufficiently the actual protection and investment feature for income in the declining years. In time of crisis the demand feature must be subordinated to the general welfare.

### Ask Detroit Producers to Follow NRA Code Hours

DETROIT, Aug. 31.—The Associated Life General Agents & Managers, Detroit, has subscribed to the NRA code. Detroit life underwriters associated with members of this organization will be asked to sign the following pledge:

"As an evidence of my desire to cooperate with the NRA movement sponsored by the United States government and President Roosevelt, I hereby agree that to the best of my ability I will faithfully conform to the schedule of hours prescribed by government code and adopted for all life insurance offices in Detroit—40 hours per week; that I will strive diligently to earn new commissions equal to at least the minimum wage required by this code and, further, that I will keep an accurate daily record of such hours worked, these records to be available for review at all times by my general agent or manager, as well as by the duly authorized representative of the United States government."

### A. M. Embury Agency Conference

The A. M. Embury agency of the Equitable Life of New York in Kansas City, Mo., will hold an agency conference at Hot Springs, Ark., starting Sept. 15. The speakers will be S. D. Krueger, agency manager at St. Paul; J. A. Patton, associate sales supervisor, home office; C. M. Maxwell, district manager in Iowa; W. H. Rotheimer, Chicago, superintendent of agencies.

## Receiver Is Appointed for the Missouri State Life

(CONTINUED FROM PAGE 1)

The Milton people hesitated to act without their interests being safeguarded with liens against the policies.

The Kentucky Home Life of Louisville with 148,050 shares is the largest stockholder of the Missouri State Life. It is understood that State Auditor Talbott of Kentucky wanted the Kentucky Home Life to be given the opportunity to take over the Missouri State. Dissolution of the Missouri State would be a blow to the Louisville company, which was formed by Julius Barnes, Frank Cohen and A. M. Greenfield out of the wreck of the Inter-Southern Life. The Kentucky Home is now in the laps of New York bankers.

The commissioners who attended the hearing were: Thulemeyer, Wyoming, Clark, Iowa, Daniel, Texas, Boney, North Carolina, Senff, Kentucky, Mitchell, California, Sullivan, Washington, O'Malley, Missouri, Read, Oklahoma, Averill, Oregon. First Deputy Tom Scanlon represented South Dakota, Chief Examiner C. S. Conover, Illinois, Deputy Commissioner Ralph Wade, Michigan and Examiner B. Werkinton, Louisiana. In addition the examiners of the participating states were also on hand.

#### Publicity Is Released

The Milton people have been sending out considerable publicity in connection with their project to take over the business of the Missouri State. One release tells about the Equity Corporation. This was organized in December, 1932. On July 6 of this year a syndicate formed by the Equity Corporation acquired a substantial interest in the class A and common stock of United Founders Corporation, whose assets are more than \$50,000,000. United Founders Corporation controls American Founders Corporation, which in turn controls a group of management investment companies. One of the outfits controlled by the Equity Corporation is the Interstate Equities Corporation.

According to the publicity release, if the Missouri State deal is approved, the assets of the outfits in the Equity group will be about \$200,000,000. In addition to Milton, the directors of the Equity Corporation are stated to be S. W. Anderson, Chase Donaldson, E. C. Huntington, Jr., and W. S. Mack, Jr.

Strenuous efforts were made to conclude a deal between the Missouri State and the Milton people while J. B. Thompson was insurance superintendent of Missouri. Mr. Thompson stayed on as superintendent for some time after O'Malley had been designated, principally, it is believed, in an attempt to help conclude a deal for the Missouri State.

Report was published that the final capitalization of the General American may be raised to \$4,000,000. The present stockholders of the Missouri State would then be solicited to buy stock in the new concern. The Milton people deny this, but say they contemplate selling stock to present holders.

Ellery Huntington, Jr., a law partner of Milton, who was also in St. Louis for several days, left for New York by plane.

The insurance business as a whole lost all patience with the Missouri State Life when arrangements were made to have that company guarantee an \$800,000 loan with which Julius H. Barnes and Frank Cohen purchased the interests of Albert M. Greenfield in the Kentucky Home Life. Greenfield, Barnes and Cohen were together at first, but later there was a split. The Missouri State took up this loan in a few weeks. Coming as it did on the top of a series of sordid manipulations and battles through the Caldwell and Dorsey regimes, the business came to the conclusion that the Missouri State Life was incorrigible.

The justification of the management

for that loan was that the way would be paved for putting into effect a voting trust agreement for the company. However, such an agreement was never consummated because of factional differences.

On Aug. 25 while the hearings on the examination were under way Commissioner Sullivan of Washington learned that the Missouri State had paid off \$350,000 on a \$500,000 note held by the First National Bank in St. Louis. He requested Nardin to explain why this payment was made on the eve of receivership. Sullivan pointed out that F. O. Watts, chairman of the bank, was also a director of the Missouri State. Nardin explained it was a demand note and the company had been making payments when requested, the total paid being \$350,000.

#### Wanted Further Quits

Commissioners Sullivan, Averill and Mitchell and First Deputy Thomas Scanlon of South Dakota submitted a resolution asking that another investigation be made of the Missouri State but the resolution was not adopted.

The examiners depreciated an investment of \$6,000,000 in the Syndicate Trust and Century buildings in St. Louis to \$2,800,000. The Missouri Hotel held at \$1,150,000 was cut to \$750,000 and the home office was scaled from \$1,050,000 to \$950,000. The Medical Arts Building in Memphis, was given a value of only \$400,000 while the company was carrying it at \$830,000. Two Chicago leaseholds were reduced 50 percent. One was held by the company at \$800,000 and the other at \$400,000. Examiners wrote down a picture theater in Muskogee, Okla., which the company took over at \$150,000.

The company holds large tracts of land in southeastern Missouri and large depreciations were made in the valuations.

In 1928, the Missouri State reinsured the business of the International Life of St. Louis, which had been wrecked under Roy C. Toombs. The Southwestern Life of Dallas must be considered in any reorganization. In 1929 the Missouri State made an agreement to buy control of the Southwestern over a period of three years. At the end of 1932, the Missouri State held 60,000 shares of Southwestern.

The company experienced bitter factional fights and struggles for control in its early days when M. E. Singleton of St. Louis took charge. Later Rogers Caldwell decided he wanted the Missouri State as the key company in the chain of insurance concerns he planned to build and he got control.

A brief golden era followed, Caldwell riding high on the tide of prosperity. Many junior executives, employees and agents invested heavily in the stock of the company. Some are struggling to pay off these loans.

In 1930 Caldwell made arrangements to sell the Missouri State a block of securities for about \$2,000,000 and much of this cash is alleged to have been used later to consummate the sale by Caldwell of about 118,000 shares of Missouri State to the Inter-Southern Life. The money was used by Caldwell to pay off bank loans and release his Missouri State Life stock held as collateral so that he could sell the block to the Louisville company.

#### Holdings Were Increased

Subsequently the holdings of the Inter-Southern were increased to 148,050 shares. When the Inter-Southern Life collapsed the Missouri State was the pawn of bitter struggles for control.

The Caldwells had dominated the St. Louis company with the Inter-Southern block of stock but when Machir J. Dorsey of Hammond, Ind., who took over the Inter-Southern sought to exercise the same privilege he ran into opposition. The same conflict continued when the Kentucky Home Life came into being. Every effort of the Louisville company and the Kentucky

(CONTINUED ON LAST PAGE)

# Answers to C. L. U. Degree Examination

## PART II—LIFE INSURANCE SALESMANSHIP

### Question 1

- (a) Outline briefly the factors which you regard as essential to the training of a successful life insurance underwriter.
- (b) Discuss briefly the sales advantage which has accrued or will accrue to you in consequence of your preparation for this examination.

### Answer to Question 1

(a) Investigators have found that there is no particular training formula which must be followed by the new underwriter in order to attain success in the field of life underwriting. Rather, the experiences of those who have been successful in this field differ greatly, and the factors which have caused success in any one case are not necessarily those which have led to success in others.

In the training of the life underwriter, therefore, it would seem wise to stress all the important factors which, from the experience of others who have been successful, have contributed most to their success. Assuming a certain amount of native ability as a foundation, and most persons are not deficient in this respect, the following factors should be regarded as essential:

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(1) Knowledge of the subject. The better the life underwriter knows his subject, the greater the chances of his success. To really "know" life insurance, he must spend much time in study and preparation. The training should cover thoroughly the principles of life insurance, the various policy forms or contracts, and the needs which they are designed to fill.

The underwriter should have a working knowledge of certain allied fields, such as economics, finance, and business law so that he will be able to analyze successfully the needs of a prospect and make adequate insurance provision therefor. A knowledge of the psychology and principles of salesmanship will aid the underwriter greatly in convincing the prospect that he should have the insurance prescribed.

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(2) Preparation. Two things should be stressed in this connection. First, the underwriter should be taught that his training never ends. Constant study and preparation is necessary if he is to keep up with current events and add to his knowledge of the subject. Secondly, specific preparation should be made for each interview. Nothing worthwhile is accomplished without preparation and the life underwriter should be trained properly regarding the pre-approach or the preparation which is necessary before the sale is attempted.

(3) Appearance. With some persons, a certain amount of instruction is necessary regarding appearance. No matter how well the underwriter knows his subject, and regardless of the preparation for the interview, he runs a risk of losing the sale if he is not attired in the proper manner. His dress should be appropriate to his calling.

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(4) Manner. A standard in manners cannot be set up for all underwriters. Each should follow the manner which is the most natural in his case and adapt it to fit the particular occasion. Above all else the underwriter should be courteous in his relations with others.

(5) Imagination. The underwriter should be taught to use his imagination. Insurance is an intangible thing, which yields its benefits in the future. In successful selling it is necessary to stir the prospect's imagination and help him to visualize the benefits which he will receive. In order to do this the

agent must train and develop his own imagination.

(6) Health. Poor health is the cause of lack of energy, which in turn is an important cause of failure in selling. Some elementary training should be given the life underwriter regarding food, sleep, recreation and exercise, because these things are conducive to good health.

(7) Self-confidence. This factor should be the natural result which follows proper training as outlined above. The knowledge that he is thoroughly equipped to perform his task should give the underwriter the self-confidence which is necessary to success. In those few cases where self-confidence is not found to the proper degree, some training regarding the psychology of fear will be necessary.

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(b) In preparing for this examination in salesmanship I have learned many things in connection with the points cited in part (a) which should help me in my work. All of these could be listed here as sales advantages. More particularly I have learned that it is necessary to prepare for my interviews in advance. With a definite sales plan to follow in each interview my efforts will be more successful. I will be able to watch the responses and reactions of the prospect and be in a better position to make use of them. I have also acquired new methods of handling objections and have learned some uses for life insurance which are new to me.

Probably the most important information which I have obtained from my salesmanship study is that dealing with motivation. I now have a keener insight into human behavior and its importance in the selling process. My study has shown the importance of appealing to the emotions and instincts, because they are the sources of practically all action. I formerly placed too much emphasis on the reasons why insurance should be bought in presenting my sales proposition to the prospect. Now I know that while man considers himself a rational being, he generally wants reasons to justify his impulsive acts. I should be able greatly to increase my effectiveness in the future by the use of my new knowledge concerning the principles of motivation. No matter how well informed, if a salesman cannot obtain action, he will not be successful. A knowledge of motivation will help me get action from the prospect.

### Question 2

(a) Cold canvass has been characterized as an excellent method of developing prospects. Discuss.

(b) What specific information would you desire in order to consider an individual a prospect for life insurance? Discuss.

### Answer to Question 2

(a) Under the "cold canvass" method of prospecting the underwriter approaches the individual without any knowledge as to his circumstances or needs. In order for the salesman to tell whether he is interviewing a prospect or suspect, he must draw the necessary information from the individual he is interviewing. If he turns out to be a prospect, then additional information must be obtained so that it will be possible for the underwriter to discover the needs and offer the proper forms of insurance.

Naturally many difficulties will be encountered in the cold canvass. The salesman must use tact in obtaining the necessary information. If he creates antagonism he is lost. Because it is difficult to complete the sale in one interview, many underwriters follow the policy of making several calls, merely using the first to obtain as much of the necessary information as is possible, and

leaving the door open for one or more later interviews.

Cold canvass works best under one of two plans. (1) The salesman can select for his interviews a group of persons with rather uniform interests and characteristics, so that it will be possible for him to tell, with a fair degree of accuracy, their insurance needs in advance. Examples of such groups are all persons having the same occupation, and those belonging to the same church or fraternal organization. (2) The salesman can select a particular type of policy, as a retirement contract, and prospect for persons to which this type of contract can be sold.

As contrasted with the difficulties involved, a number of advantages accrue when the cold canvass method is used. The life underwriter obtains many contacts which he would not get in any other way. Even where the individual turns out to be a suspect rather than a prospect, the underwriter may obtain information of value regarding others who need some form of life insurance. This method stimulates the salesman mentally because it requires much quick thinking and a thorough knowledge of the subject if the insurance is to be sold at the first interview. It is also good training for the new life underwriter as it adds greatly to his experience.

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(b) A life insurance prospect is a person who can meet the requirements for insurability, who has a need for insurance, and who has the money which he can devote to this purpose. He should also be a person whom I can approach.

To be insurable an individual must be within the proper age limits, be able to pass the medical examination, if required, and have such habits and standards of living that he can pass the inspection report.

Most persons have a need for some form of life insurance. In a few cases, however, the individual has a sufficient line, or possibly he does not need it at all. In order to learn whether life insurance is needed the underwriter must know about the prospect's income, size of family, number and ages of dependents, business and social interests, obligations, retirement plans, etc.

If the individual needs the insurance and can pass the requirements for insurability, he may still lack the funds necessary to pay for it. This situation has been encountered frequently during the present depression. The only thing the agent can do in such cases is to wait until the income permits the purchase of insurance. However, he should in all cases be sure that there is no possibility of budgeting the income in order to provide the necessary funds.

### Question 3

(a) What is meant by the "approach" in a life insurance sales interview?

(b) Give five illustrative approaches to open the interview.

### Answer to Question 3

(a) The "approach" is the first part of the life insurance sale. Coming before the main interview, it is used to get the attention and interest of the prospect. After the agent secures the necessary information and makes proper preparation for the interview (called the pre-approach) he must plan and adopt some method of approaching the prospect, so that he will be permitted to present his proposition. It is generally difficult to designate the exact place where the approach ends and the sales presentation begins, but generally we may say that the main part of the interview begins after the prospect ceases to become a listener, and offers some objection or excuse, or shows some sign of interest in the proposition.

The approach does not have to be entirely oral. Many successful salesmen

prepare a written statement of some kind and present it during the approach with appropriate remarks aimed to get the interest of the prospect.

(b) Five illustrative approaches are as follows:

(1) "Mr. Davis, do you have a coinurance clause in your life insurance contract, as you have in your fire insurance policies?" (Explain to him that his wife must make up the difference between what insurance he has and the amount he needs).

(2) "Mr. Jones, have you changed your will since 1929?" If he answers "yes," ask him if he has provided for all contingencies. If he answers "yes" to this question ask him why he changed it, and he will then begin to talk. This is what you want. If his answer is "no," ask him "why" and this will cause him to explain.

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(3) "Mr. Prospect, I have called in connection with this fine home you have just bought. Have you arranged matters so that Mrs. Prospect and Bobby can live here as long as you want them to?"

(4) "Mr. Brown, have you ever considered guaranteeing your child's education through an insurance contract?"

(5) "Mr. Smith, I am Mr. Jones of the X Life Insurance Company, and I would like to tell you some unusual things concerning the settlement options in your life insurance contracts."

### Question 4

A life insurance sale is accomplished by securing the prospect's attention, interest, desire, and action. What is meant by each of these expressions?

### Answer to Question 4

A prospect's attention is secured by diverting his mind from the matters he was occupied with at the time the salesman entered his presence, to those things which the salesman is doing and saying. Since it is absolutely necessary to get the undivided attention of the prospect in order to make a sale, the underwriter should be familiar with the methods employed for this purpose. Speaking, making a noise, moving within the prospect's range of vision, and similar acts will gain attention, because through reflex action, the attention response on the prospect's part will be automatic. Attention gained in this manner, however, does not last long.

It is necessary therefore, to keep the attention of the prospect, and this is called interest. Interest, or continued attention, is best obtained by presenting your proposition in terms of those things with which the prospect is familiar and which fit in with his interests, desires, plans and thoughts. In other words, appeals should be made to his instincts and acquired interests.

However, attention and interest are not objectives in themselves. They are merely a means to the end of getting the prospect's desire aroused. Desire indicates that the prospect has begun to look upon the proposition as one that he wants. He sees it in the light of something which appeals to him, i. e., it will furnish him with the means of accomplishing the things that are important to him, such as making him richer, happier, or more satisfied regarding the future. In arousing desire, it is necessary to make appeals to instincts and to arouse the emotions.

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Action follows desire. It is the acquisition of something (the insurance) which will carry out the desires of the prospect. To secure action it is necessary to secure the express or implied consent of the prospect to the purchase of the insurance. Physical action is also necessary since the prospect must sign the application and submit to the medical examination. The action necessary for express consent is more easily ob-

tained if the underwriter gets the prospect in the "yes" attitude by asking him questions which require "yes" for an answer. Signing the application is made easier by getting the prospect to perform some movement, such as handing the underwriter a piece of paper.

In the progress of the sale, there is generally no definite dividing point between any one of the above stages and the others named. They merge one into the other as the interview progresses. The attention of the prospect is captured by the approach, and if the approach is a good one, interest follows. Desire is aroused by appeals to emotions, instincts, and judgment. The salesman uses all possible incitements to make the desire as strong as possible, and to motivate the prospect to transform that desire into action.

### Receiver Has Been Named for Missouri State Life

(CONTINUED FROM PAGE 14)

state officials to succeed to the Caldwell power in the affairs of the Missouri State was checkmated. With the collapse of the Missouri State, all of the Dorsey companies are gone, the others being the Security Life of Chicago and Northern States Life of Indiana.

It was these differences and the charges and counter charges made in the fight led by Theobald Felss of Cincinnati and Dorsey against Frank O. Watts, E. D. Nims and Hillsman Taylor, former president of the company, in 1931, that caused a stockholder to file a suit for an accounting against a number of the directors of the Missouri State in 1931, and as a result the company was thrown into brief receivership in March, 1932.

Should Auditor Talbott of Kentucky compete with Milton with a rival reinsurance offer it will mark the second

time that Talbott has come to grips with the investment interests led by Milton.

When the Kentucky Home Life was formed to reinsure the Inter-Southern a rival proposal was put up to the court by a protective committee.

When the Kentucky Home was formed the Bankers Bond & Mortgage Company of Philadelphia agreed to put up \$250,000, the Bankers Security Company put up \$500,000 and the interests affiliated with Julius H. Barnes the remaining \$250,000. The dominant factor at that time was Greenfield.

C. R. Smith and H. M. Johnson representing the Inter-Southern protective committee opposed the offer and urged the acceptance of a proposal from Milton on behalf of the Equitable Life & Casualty whose president, J. R. Duffin, had been president of the Inter-Southern. Talbott led the fight for the Greenfield proposal. He told the court he had received a letter from Milton in which he said his only interest in the Inter-Southern business was on behalf of a client. Talbott described this client as a "small insurance company."

The Lincoln National Life notified O'Malley it was willing to negotiate for the Missouri State. Vice-President A. J. McAndless stated he received little encouragement.

#### Charge Off Is \$30,000,000

The convention examination charged off a total of \$29,816,283, reducing admitted assets to \$122,242,675 compared with liabilities of \$144,961,746, in addition to \$5,000,000 capital. June 30, 1933, values were used.

Among items charged off were: bills receivable, \$122,071; accident and health premiums in course of collection over 90 days, \$4,780; policy loans in excess of net value of policies, \$55,000; deposits in closed banks (less \$354,496.97 estimated to be recoverable), \$216,112; book value of real estate over market value, \$8,344,159; book value of stocks over market value, \$1,935,491; book value of

bonds over market value, \$11,706,481; book value of collateral loans over market value, \$500,191; book value of mortgage loans over market value, \$6,701,007.

Total income during the year was \$15,764,659 and the disbursements \$20,810,730.

The report attacked the procedure of the company in capitalizing taxes, foreclosure costs and interest in the book value of real estate taken over and that "consequently the real estate account is considerably larger than the original amount loaned on parcels contained therein."

"Such inflations," the report said, "usually resulted from repeated capitalization when a parcel was sold several times and each time when foreclosed additional taxes and interest were capitalized."

"In 1932 the company adopted the practice of capitalizing only taxes and foreclosure costs, but found that failure to capitalize interest which was set up as earned in 1930 and 1931 on delinquent loans which were foreclosed in 1932 was having too great an effect on interest earnings; consequently, a portion of that interest was capitalized and like amount set up as a liability reserve."

The report charges many loans were acquired through trades and promotional activities and in connection with the sale of life insurance, which did not represent sound values when they were made.

#### Analysis of Stocks

The book value of stocks was placed at \$5,170,181 and the market value at \$3,263,509. This included 71,882 shares of Southwestern Life with a book value of \$50,066,146 and market value of \$3,234,690; 136 shares of Northwestern National Life, book value \$680 and market value \$1,904; 20 shares International Life, book value \$2,453 and no market value, and 1,000 shares Aetna Life, book value \$61,181 and market value \$25,000. Attention was given to the company's agreement to buy 105,000 shares of Southwestern at \$70 a share, plus 5 percent on deferred payments. After the date of the examination the company on Aug. 12 took over 11,868 additional shares under this contract, paying \$937,294. On Aug. 12, 1934, it is to buy 10,624 shares at \$839,380 and on Aug. 12, 1935, a final block of 10,626 shares.

The company owed \$5,985,000 to the R. F. C. and \$1,700,000 to St. Louis banks.

Collateral loans of \$854,668 were found in the Missouri State account and \$1,597,427 for the International Life. These included \$1,510,000 to the Great Southern Life Stock Syndicate on 68,088 shares of Great Southern Life stock and \$60,000 to E. P. Greenwood on 270 shares of Great Southern.

#### TO ASK VIRGINIA RECEIVER

RICHMOND, VA., Aug. 31.—The Virginia corporation commission has entered an order citing the Missouri State to appear Sept. 11 to show cause why its license in Virginia should not be revoked. At the same time the attorney general was directed to take steps to have a receiver appointed in this state. The company has \$5,356,615 insurance in force in Virginia.

#### SENFF ISSUES STATEMENT

FRANKFORT, KY., Aug. 31.—Commissioner Senff denies that Kentucky had any part in the examination of the Missouri State Life. He said Kentucky asked to be allowed to participate, but that its request was denied by the Missouri department, although Kentucky offered to pay its own examination expenses. The Kentucky department is much interested in the Missouri State Life, due to the Kentucky Home Life having such a large investment in the Missouri State.

#### ACTION IN CALIFORNIA

SAN FRANCISCO, Aug. 31.—Following receipt of advice that the Missouri department had taken action to take charge of the Missouri State, the

California department proceeded to take possession of all assets of the company in California under the liquidation and pending institution of receivership.

## Insurance Needs Bankruptcy Law

(CONTINUED FROM PAGE 4)

part of the bankruptcy act, Mr. Van Schaick said. He gave broad suggestions as to the contents of such a statute.

The state supervisory officials should at any time be permitted to apply to federal court within the jurisdiction of which a company is domiciled for its liquidation or reorganization. If the commissioner of the company's home state refused to act, perhaps permission to a certain number of commissioners from other states to unite in a petition of this kind might be granted.

The court entertaining such an application in the event of an adjudication after a hearing should become the primary court fundamentally in charge of the proceedings throughout the country. Law and practice of this court should prevail throughout, the court to be the distributor of all general funds wherever collected.

There are many evils from too great centralization and each commissioner should have the right to apply to a federal court in his state for appointment as ancillary liquidator, the primary liquidator otherwise having full authority in such state.

#### Ancillary Receiver's Duties

The ancillary liquidator's duties should be largely those of assisting the primary liquidator in collecting assets and determining local claims and also distributing local special deposits and assets in which there are valid local preferences. Expenses of each liquidator should be drawn exclusively from funds collected by him except in extraordinary cases.

To determine the many minor issues in liquidations there should be referees chosen from special panels appointed perhaps by judges of the U. S. circuit court of appeals, men professionally fitted to direct orderly and expeditious handling of affairs. Necessity for costly court appearances should be minimized.

An adequate preference for wages of employees should be made to apply universally in all states and uniform preference to workmen's compensation claims likewise should apply throughout the country, such preferences perhaps being made to have superiority over claims of the federal government.

At present the federal preference statute probably overrides all state laws. Mr. Van Schaick said. In case of a surety company which is always confronted with contingent claims on bonds to the U. S. government amounting to many times the assets of the company, the federal preference act literally paralyzes liquidations, he said. Distribution to any claimants even though holding preferred compensation awards is prevented. Claims of the United States should be preferred but should be a controlled preference amenable to other provisions of the law with regard to filing claims and the like.

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